

**IMPLEMENTATION PLAN  
FOR THE FREMONT MERGED REDEVELOPMENT  
PROJECT**

**REDEVELOPMENT AGENCY OF THE  
CITY OF FREMONT**

**Effective July 1, 2008 to June 30, 2013**

**(Public Hearing by the Redevelopment Agency Board scheduled for June 3, 2008)**

**IMPLEMENTATION PLAN  
FOR THE FREMONT MERGED REDEVELOPMENT PROJECT  
(FY 2008/09 THROUGH FY 2012/13)**

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## **I. INTRODUCTION**

### **1. Purpose of the Implementation Plan**

This Implementation Plan highlights the accomplishments of the Redevelopment Agency of the City of Fremont (Agency or Redevelopment Agency) during the past five years and establishes policy priorities for the Agency during the next five years (Implementation Period) to redevelop the Fremont Merged Redevelopment Project Area (Merged Project Area or Project Area) consisting of the previously adopted Niles, Irvington, Centerville, and Industrial Project Areas, which were merged in 1998. The Implementation Plan sets forth programs and projects that will eliminate blight in the Merged Project Area and create new affordable housing opportunities in the community during the Implementation Period. The Implementation Plan also provides an explanation of how the goals, objectives, programs and expenditures for the next five years will serve to eliminate blight in the Project Area.

### **2. History and Status of Merged Redevelopment Project**

Pursuant to California Community Redevelopment Law, the City of Fremont has adopted, and the Redevelopment Agency is currently implementing, redevelopment plans for four areas in the community: the Irvington redevelopment plan and project area (adopted in 1977, project area expanded in 1998); Niles redevelopment plan and project area (adopted in 1977, project area expanded in 1998); Industrial Area redevelopment plan and project area (adopted in 1983); and Centerville redevelopment plan and project area (adopted in 1997). Together, these four areas comprise the Fremont Merged Redevelopment Project Area. (See Figure 1, which shows the general location of the four redevelopment areas comprising the Merged Project Area, and Figures 2 through 5, which show the boundaries of the four areas comprising the Merged Project Area.)

Three of the areas--the approximately 473-acre Irvington, the approximately 138-acre Niles, and the approximately 302-acre Centerville areas--include the older historic commercial centers of Fremont. These three areas share the typical burdens of older downtown areas, including an overall mixed land use character; inadequate street capacities and layouts; aged, obsolete and deteriorating structures; and disuse or underutilization of structures and land. In contrast, the Industrial Area is an approximately 3,000-acre, partially redeveloped, light industrial area which presents substantial opportunity for viable, contemporary, light industrial (e.g., R&D) development, and potential other uses if the identified transportation infrastructure inadequacies can be alleviated.

The 1998 amendment to the four redevelopment plans (1998 Amended Plans) provided for various changes and refinements, including the financial merger of the four

redevelopment project areas into one Fremont Merged Redevelopment Project Area in order to pool and distribute tax increment revenue from the newly developing Industrial Area for use in facilitating redevelopment activities in the other three areas.

### **3. Proposed Redevelopment Plan Amendment**

The primary source of funding for the Fremont Redevelopment Agency is the tax increment generated from the Industrial Area portion of the Merged Project Area (which may also be expended in the Irvington, Niles and Centerville portions of the Merged Project Area as a result of the 1998 merger of the four project areas). It is now estimated that the current \$400 million cap on the receipt of Industrial Area tax increment will not be sufficient to provide the needed funding for the redevelopment program activities identified in the 1998 Amended Plans. Current financial estimates indicate that the existing \$400 million cap will be reached in FY 2011/12.

In July 2007, the Agency Board authorized staff to begin processing a Redevelopment Plan Amendment (Plan Amendment or Redevelopment Plan Amendment) that would increase the tax increment revenue cap for the Industrial Project Area portion of the Merged Project Area, and would amend, restate, and consolidate the currently separate redevelopment plans into a single Amended and Restated Redevelopment Plan for the Merged Project Area. It is anticipated that the Plan Amendment process would take approximately 18 to 24 months, with an estimated completion in early 2009. The successful completion of the Plan Amendment process would significantly influence the resources available to the Agency for both housing and non-housing activities during the last two years of the Implementation Period covered by this Implementation Plan. Therefore, this Implementation Plan considers two funding alternatives for future projects: under the current Industrial Area cap of \$400 million, projected to be reached in FY 2011/12, and under a successfully completed Plan Amendment, which would allow for additional funding resources in the last two years of the Implementation Period.

### **4. Implementation Plan Required by California State Law**

AB 1290 and SB 732, enacted in 1993 and 1994 respectively, as a comprehensive reform of the California Redevelopment Law (CRL), established regulations, which required each redevelopment agency to adopt an Implementation Plan no later than December 31, 1994, and to update the plan every five years. The Redevelopment Agency of the City of Fremont adopted its first Implementation Plan for the Industrial Project Area, the Niles Original Project Area, and the Irvington Original Project Area in December 1994. The initial Implementation Plan for the Centerville Redevelopment Project was adopted in 1997. In order to combine and consolidate the Implementation Plan process and documentation, a new Implementation Plan for the four project areas was later adopted in 1998 as part of the Report to Council for the 1998 Amended Plans. The most recent

Implementation Plan (2003-2008) was adopted in 2003 and updated during the mid-term review period, as required by the CRL, in June 2006.

The Implementation Plan requirements include the Affordable Housing Plan requirements for redevelopment agencies enacted by AB 315 in 1992 and AB 637 in 2001. This Implementation Plan has been drafted to meet the requirements of the CRL per AB 1290, SB 372, AB 315 and AB 637.

## **5. The 1998 and 2003 Implementation Plans**

The 1998 Implementation Plan allowed the original project areas of Niles, Irvington, Centerville, and Industrial, and the proposed added areas in Niles and Irvington to have a common five-year planning and implementation period under the CRL, thus avoiding the confusion to decision makers and the public of having multiple, overlapping and inconsistent planning periods for different geographic portions of Fremont's project areas. The 1998 Implementation Plan also enabled the Agency to set forth a comprehensive and coordinated redevelopment program for each of the project areas that takes into account the financial and legal resources made possible through the 1998 Amended Plans, including the resources made available through the financial merger.

The 2003 Implementation Plan is in effect for the period from July 1, 2003 through June 30, 2008, encompassing Fiscal Years 2003/04 through Fiscal Years 2007/08. The Agency completed a mid-term update of the plan by June 30, 2006, as required by CRL. The Affordable Housing section of the Implementation Plan addressed ten-year compliance periods for certain affordable housing functions of the Agency, in accordance with Redevelopment Law.

## **6. Contents of the Implementation Plan**

This Implementation Plan consists of the following major components:

- Introduction
- Accomplishments during the past five years
- Summary of Blighting Influences and Deficiencies to be Corrected
- Proposed Activities in the Niles, Centerville and Irvington Project Areas
- Proposed Affordable Housing Activities

The Implementation Plan is intended to provide general guidance for the implementation of the Agency's redevelopment programs. It is expected that conditions will change in the course of undertaking these programs. Therefore, the Agency intends to use and interpret this Implementation Plan as a flexible guide, incorporating the goals, objectives and potential programs shaping Redevelopment Agency activities during the Implementation Period, while providing flexibility so the agency may adjust to changing

circumstances, resource availability and new opportunities.

The Implementation Plan will be in effect for the period from July 1, 2008 through June 30, 2013, encompassing Fiscal Years 2008/09 through Fiscal Years 2012/13. The Agency will update the plan at least once during the Implementation Period, by June 30, 2011. The Affordable Housing section of the Implementation Plan also addresses ten-year compliance periods for certain affordable housing functions of the Agency, as required by the CRL.

## II. REDEVELOPMENT PLAN LIMITS

In compliance with CRL Section 33490 (A)(5), effective January 1, 2008, following are the time and dollar limits applicable to the various portions of the Merged Project Area.

<u>Constituent Area</u>	<u>Time Limit for Debt Incurrence</u>	<u>Time Limit for Plan Effectiveness</u>	<u>Time Limit for Debt Repayment/ Receipt of Tax Increment</u>	<u>Maximum Tax Increment Collection</u>	<u>Limit on Outstanding Bonded Indebtedness</u>	<u>Time Limit for Eminent Domain</u>
<b>Irvington</b>						
Original Area	7/5/18	7/5/18	7/5/28	Combined Limit of	Combined Limit of \$200,000,000	7/7/2010
Added Area	7/7/18	7/7/29	7/7/44	\$180,000,000		7/7/2010
<b>Niles</b>						
Original Area	7/5/18	7/5/18	7/5/28	Combined Limit of		7/7/2010
Added Area	7/7/18	7/7/29	7/7/44	\$55,000,000		7/7/2010
<b>Industrial Area</b>	11/22/24	11/22/24	11/22/34	\$400,000,000	For All Projects	7/7/2010
<b>Centerville Area</b>	7/8/17	7/8/28	7/8/43	No limit		7/8/2009

## III. ACCOMPLISHMENTS: THE PAST FIVE YEARS

### 1. Programs and Projects Assisted with Non-Housing Redevelopment Funds

This section provides brief descriptions of public and private improvements supported or implemented by the Redevelopment Agency during the past five years (July 1, 2003-June 30, 2008).



## 1.1 Niles Area

### SUMMARY

**GOALS:** The elimination of adverse physical and economic conditions and the enhancement of the historic business district in the Niles Area.

City/Agency Dollars Invested: Approximately \$12.4 M

### PROJECTS COMPLETED AND INITIATED

**Former Union Pacific Railroad Property Acquisition and Remediation:** In February 2005, finalized Redevelopment Agency acquisition of the 5.25-acre railroad property located along Niles Boulevard in the heart of the Niles Project Area. In August 2006, completed the Redevelopment Agency's first Environmental Oversight Agreement (EOA) with California Department of Toxic Substances Control for site clean-up. Clean-up work performed September-December 2007; site now ready for redevelopment. ***Agency role:*** Funding.

**Niles Town Plaza:** Completed conceptual design work for a two-acre public plaza located on a portion of the former Union Pacific Property and appropriated funding for plaza construction in July 2005. Construction will begin Spring 2008, estimated completion - early 2009. ***Agency role:*** Funding and facilitating community input.

**Niles Concept Plan Implementation:** In June 2005, completed amendment to commercial zoning standards allowing a more intensive level of development within the Niles business district without the provision of additional parking. ***Agency role:*** Funding and facilitating community input.

**Niles Sign Program:** New gateway and directional signage approved as part of the Niles Sign Program (October 1999) was installed beginning in late-2004 and was completed in the fall 2005. Lighting upgrades completed on gateway signs in 2006. ***Agency role:*** Funding.

**Veterans' Memorial Flagpole:** In conjunction with the several Niles' community groups (i.e., Rotary, Main Street and Merchants Associations), the Redevelopment Agency and City staff replaced the historic World War I Veterans' Memorial Flagpole, which serves as a defining landmark for the Niles District. ***Agency role:*** Facilitating permitting process.

**Niles Essanay District Revitalization Agreement:** Completed Redevelopment Agency-Niles Essanay Silent Film Museum Agreement to promote the Niles Project Area revitalization including the operation of a shuttle service linking the Niles Canyon Railway with the commercial district. Agreement renewed Fall 2007 to continue economic revitalization services. ***Agency role:*** Funding.

**Retail Marketing/Business Recruitment and Business Development Resources:** In conjunction with the Office of Economic Development, staff worked with commercial property owners in refining marketing strategies, tenant recruitment and leasing techniques aimed at improving their properties' potential and the overall revitalization of the historic districts. ***Agency role:*** Provide funding for program, facilitate community input, assist in the identification of available and underutilized properties.

**Commercial Rehabilitation Loan/Grant Program:** Three projects have been completed in Niles' downtown core. ***Agency role:*** Funding and technical assistance

## 1.2 Irvington Area

### SUMMARY

**GOALS:** The elimination of adverse physical and economic conditions and the enhancement of the historic business district in Irvington; the conservation and enhancement of existing residential neighborhoods and the creation of residential opportunities for various segments of the community.

City/Agency Dollars Invested: Approximately \$ 46.7 M

### PROJECTS COMPLETED AND INITIATED

**Irvington Concept Plan:** Initiated activities to implement the Irvington Concept Plan and completed the rezoning of the Bay Street area in conformance with the Plan. Renovated buildings along Bay Street will be consistent with the Design Guidelines and zoning requirements adopted for the Bay Street Planned District. ***Agency Role:*** Funding and facilitating community input.

**Monument Center:** Staff continued working with property owners to discuss future development opportunities for their property, and conceptual site planning. Completed a market feasibility study for Monument Center. This effort is expected to result in private development applications within the next five years. ***Agency role:*** Funding, facilitating design assistance and community input.

**Bay Street Streetscape & Parking Project:** Completed construction of the public parking lot. Over the next five years, the Agency will implement the Bay Street Streetscape, including utility undergrounding, to support local businesses. To augment Agency funding, staff secured both MTC and HCD grants totaling approximately \$2,000,000. ***Agency role:*** Funding, facilitating design and community input.

**Roberts Avenue Sidewalk Improvements:** The Roberts Avenue Sidewalk Project was completed, including a street tree planting program with local residents. ***Agency role:*** Funding.

**Irvington BART Station:** The Agency funded a study to assess the feasibility of the Irvington BART Station. During the next five years, additional funds will be expended to promote this location for a station in Fremont. ***Agency role:*** Funding.

**Retail Marketing/Business Recruitment and Development Resources:**

In conjunction with the Office of Economic Development, staff worked with commercial property owners on refining marketing strategies, tenant recruitment and leasing techniques aimed at improving their properties' potential and the overall revitalization of the historic districts. ***Agency role:*** Funding, facilitating community input, assisting in the identification of available and underutilized properties.

**Commercial Rehabilitation Loan/Grant Program:** Staff revised the program parameters and expects to proceed with projects, predominately concentrated around "Five Corners", to improve the area. ***Agency role:*** Funding and facilitation.

**Grimmer Gateway Project:** Began refining the Irvington Concept Plan along Grimmer Blvd. to implement a connection between the Irvington commercial district and Fremont's Central Park. As part of this project, staff will define opportunities for improvements and potentially for restoration of the adjacent creek and flood control channel. ***Agency Role:*** Funding and facilitation

**Main Street:** Using the Irvington Concept Plan, initiated the process to refine appropriate land uses and development standards in cooperation with community interests. Complete a Planned District rezoning and initiate a streetscape design in conformance with this effort. ***Agency Role:*** Funding and facilitation

### **1.3 Centerville Area**

#### **SUMMARY**

**GOALS: Revitalization of Centerville's historic community business district; Provision of new housing opportunities for existing and future residents in locations undergoing land use transition; Conservation of Centerville's historic resources**

City/Agency Dollars Invested: Approximately \$18.1M

#### **PROJECTS COMPLETED AND INITIATED**

**Unified Redevelopment Area (the "Centerville Unified Site"):** In March 2005, executed a Disposition and Development Agreement (DDA) on 6.5-acre Agency-owned Unified Site for a mixed-use project. However, due to financial infeasibility of the project, the DDA was mutually terminated in early 2007. After issuance of a new RFQ, the Agency selected a new developer for a retail project and is currently negotiating terms. ***Agency role:*** Funding of acquisition, tenant relocation, demolition, and site clean-up; securing developer and facilitating negotiations.

**Centerville Depot Parking Improvements:** Acquired second parking lot in Spring 2005, demolished existing building in Fall of 2005, and began construction in Winter 2005. Completed construction and improvements of second parking lot in Summer of 2006. *Agency role:* Contributing funding for new parking lot and access study, facilitating community input.

**Central Avenue Street Improvements:** Facilitated approval of final design for the widening of Central Avenue from Fremont Boulevard to Joseph Street, and undergrounding of utilities from Fremont Boulevard to Dusterberry. Completed construction in Spring 2008. *Agency role:* Provided majority of funding and facilitated community input.

**Hansen Avenue Sidewalk Improvements:** In conjunction with the new Maple Square Apartments (see below, under Item #2), facilitated the construction of new curb, gutter and sidewalk between Holly and Oak streets on Hansen Avenue. *Agency role:* Funding and facilitation.

**Center Theater Rehabilitation Project:** Began exploring the feasibility of the renovation and reuse of this historic Centerville building and provided assistance to the Center Theater Preservation Group in their efforts to identify a business plan and reuse strategy. *Agency role:* Funding, facilitation, and site planning assistance.

**Dusterberry/Peralta Park:** Began exploring the reuse of existing buildings for new recreational facilities, or alternatively, replacing those buildings with new outdoor recreational uses. *Agency role:* Funding, site planning assistance and facilitation of community input.

**Centerville Specific Plan Implementation:** Provided ongoing assistance to property owners in the form of funding for architectural design services; assembling property for development, and helping to streamline development processes. *Agency role:* Funding and facilitation.

**Retail Marketing/Business Recruitment and Development Resources:**

In conjunction with the Office of Economic Development, worked with commercial property owners on refining marketing strategies, tenant recruitment and leasing techniques aimed at improving their properties' potential and the overall revitalization of the historic districts. *Agency role:* Funding the program, facilitating community input, assisting in the identification of available and underutilized properties.

**Commercial Rehabilitation Loan/Grant Program:** Ten projects undertaken, seven completed (3660 Peralta, 3875 Peralta, 4057 Baine, 4074 Eggers, 4050 Alder, 37112, 37120, 37126, 37128 & 37140 Maple Street, and 38487 Fremont Blvd ). *Agency role:* Funding and technical assistance.

## 1.4 Industrial Area

### SUMMARY

**GOALS:** To enable the full development of the Project Area as called for in the General Plan without the intolerable levels of traffic congestion and attendant environmental problems; to ensure full utilization of the existing public infrastructure; to promote centralized industrial development within the region; to retain and attract high-growth, clean industries benefiting the City; to expand and improve the community's supply of affordable low and moderate-income housing through the use of a portion of the tax increment generated by the Project.

City/Agency Dollars Invested: Approximately \$59 M

### PROJECTS COMPLETED AND INITIATED

**Dixon Landing Interchange:** Construction began in August 2001 and was completed in July 2004. All property settlement and relocation of electric utilities, a distribution feeder gas main, and the large gas pipelines have been completed. All work is now completed and final billings are being settled with Caltrans. ***Agency role:*** Funding for design, Right-of-Way engineering and construction.

**I-880 Mission Blvd Interchange:** Construction of Phase 1A began in April 2005. The project is currently 77% completed and is scheduled to be 100% completed in Winter 2009. Design of Phase 1B (the widening of Mission Boulevard and the reinstallation of the Kato Road ramps) and Phase 2 (the Warren Avenue Grade Separation) is currently underway and is being coordinated with other project partners (Santa Clara VTA, UPRR, and ACTA). ***Agency role:*** Funding for design, right-of-way engineering, and construction.

**Municipal Parcel:** Since the parcel was acquired in 2001, Agency has been funding and facilitating various land management activities on the site in anticipation of future development in the area. ***Agency role:*** Funding.

## 2. Programs Assisted with Affordable Housing Funds (20% Housing Set-Aside)

### 2.1 New Construction

1. **Rotary Bridgeway Apartments (Irvington):** An 18-unit development consisting of transitional and permanent housing for households with incomes ranging from extremely low to low income. Rotary Bridgeway Apartments opened in June 2005. ***Agency role:*** Provided \$4.8 million in predevelopment, land acquisition and construction loans (includes Agency, HOME and CDBG funds).



2. **Lincoln Oaks Apartments (Irvington):** Eleven (11) accessible and affordable apartments for developmentally-disabled adults. HUD Section 811 funding allows residents to pay 30% of their monthly income to rent the one and two-bedroom apartments. Lincoln Oaks was completed in August 2006. ***Agency role:*** Provided \$1.5 million in development gap financing (includes Agency, HOME and CDBG funds).



3. **Irvington Terrace (Irvington):** Family development consists of 100 affordable one, two and three-bedroom rental apartments located on 2 acres within walking distance of many neighborhood services. Rents target extremely-low to very low income families. Opened in July 2007. ***Agency role:*** Provided \$9.2 million in predevelopment, land acquisition and construction loans (includes Agency, HOME and CDBG funds).



4. **Maple Square Apartments (Centerville):** A 132-unit affordable rental community for families offering studio, one, two and three bedroom apartments. The development also includes 9 market-rate single family homes. Maple Square was completed in August 2007. ***Agency role:*** Provided \$12.3 million in predevelopment, land acquisition and construction loans.



5. **Fremont Vista Retirement Homes (Outside Project Areas):** Assisted-living apartment complex consisting of 100 units, with 20 units reserved for very low and low-income seniors for a 55-year period. Fremont Vista opened in December 2004. ***Agency role:*** Provided \$2.47 million in development gap financing.



6. **Fremont Oak Gardens (Outside of Project Areas):** The first affordable housing apartment community in Fremont for very low and lower income seniors, featuring amenities and design features oriented to the special needs of deaf seniors. Construction completed in July 2005 for the 50-unit development. ***Agency role:*** Provided \$4.4 million in predevelopment, land acquisition and construction loans (includes Agency, HOME and CDBG funds).



**New Construction (In Pipeline):**

The following projects were initiated in FY 2007-08 and are in the early planning stages. The Agency is working with developers in conducting due diligence for the sites.



1. **Eden Housing-3701 Peralta Boulevard (Centerville):** Proposed development of 70-90 affordable senior or family rental apartments on a 2.98-acre in-fill site in Centerville. Eden Housing, the developer, has executed a purchase option on the land. **Agency role:** Provided a \$250,000 predevelopment loan.



2. **Main Street Village (Irvington):** Allied Housing intends to build 50-55 extremely-low, very low and low-income supportive housing units, as well as 6-8 commercial office spaces, on an approximately 1.6-acre site located at 3615 Main Street and High Street in the Irvington Redevelopment Project Area. Allied has executed a purchase option to secure the land. **Agency role:** Provided \$219,000 predevelopment loan.
3. **Centerville Unified Site (Centerville):** Current development plans include retail along the Fremont Boulevard frontage, a town green or public gathering space and potentially a housing component.
4. **Crown Court (Centerville):** Glofrem Properties plans to develop a 27-unit market-rate townhouse-style condominium project on a vacant site located at the corner of Central Avenue and Fremont Boulevard (former Haller's Pharmacy location) in Centerville. The Agency owns approximately 4,000 square feet of the 1-acre development site and would need to sell its land to the developer for site assemblage. Four units would be affordable at moderate income. **Agency role:** Acquired former Haller's Pharmacy site and relocated the tenants to a neighboring site.

## 2.2 Apartment Acquisition and/or Rehabilitation

1. **Baywood Apartments (Irvington):** Refinancing and rehabilitation of an 82-unit family affordable housing community located in Irvington. Baywood offers rents affordable to extremely low, very low and low income families. ***Agency Role:*** Provided \$1.3 million of new funds (includes Agency, HOME and CDBG) to assist with rehabilitation costs and extended the terms of an existing \$2.5 million development loan.



2. **Glen Haven Apartments (Centerville):** Acquisition and rehabilitation of an 81-unit apartment complex on Central Avenue in Centerville. KDF Communities acquired and renovated the apartments with Agency financial assistance. Rents for 57 units were reduced to rents affordable to very low and low-income households for a 55-year period. Renovation was completed in October 2003. ***Agency Role:*** Provided \$3 million for acquisition and rehabilitation costs.



Interior Improvements



Exterior Improvements

3. **Glen View Apartments (Centerville):** Acquisition and rehabilitation of a 71-unit apartment complex on Central Avenue in Centerville. KDF Communities acquired and renovated the apartments with Agency financial assistance. All the units are affordable to very low and low-income households for a 55-year period. Renovation was completed in January 2006. ***Agency Role:*** Provided \$350,000 for rehabilitation costs.



4. **Century Village (Outside of Project Areas):** Rehabilitation of an existing 100-unit family affordable rental housing development. Property improvements, which included the installation of a fire sprinkler/alarm system, were necessary to address health and safety concerns. Rehabilitation was completed in March 2005. ***Agency Role:*** Provided \$553,000 loan for property improvements.



## 2.3 First-Time Homebuyers Program

1. **Program Development/Implementation:** Developed and implemented the First Time Homebuyers Program which provides up to \$40,000 in down payment assistance to eligible homebuyers. Agency role: Provided down payment assistance to 64 First Time Homebuyers and developed/implemented informational workshops, serving over 3,300

potential homebuyers. An additional 189 families who participated in the City's informational workshops purchased homes using other funding sources, such as CaHLIF, for down payment assistance.

2. **Buyer Selection:** Agency assisted in selecting eligible buyers for over 100 below market "for sale" homes in fourteen developments throughout Fremont: Mayfield, Sequoia Crossings, Capistrano, Villa Savona, Morrison Crossing, Catalina, Woodbridge, Morgan Square, Niles Square, Villa d'Este, Castilleja, Cascade @ Montebello, Sonora @ Montebello, and Loreda @ Montebello.

## **2.4 Home Improvement Loan Program**

1. **Continuation of Program:** The Home Improvement Loan Program provides low-interest loans and grants to low and moderate income owners of single-family residential properties located in Irvington, Niles and Centerville Redevelopment Areas and adjacent target-area neighborhoods. The financial assistance can be used to address health and safety deficiencies and code violations, as well as general property improvements such as roof repair or replacement, painting, kitchen and bathroom remodel, plumbing and electrical system upgrade, landscaping and fencing and foundation repair. ***Agency role:*** Provided \$1,104,536 in loans and grants. A total of 23 families were assisted: Nineteen (19) families received a loan to rehabilitate their home, three (3) families received a beautification grant to complete façade and landscaping projects and one (1) family received a home access grant to make their home more accessible for a disabled family member.

## **2.5 Preservation of Affordable Housing**

1. **Affordable Housing Preservation Strategy:** Helped preserve 268 apartments in danger of converting to market rate. All units housed seniors or special needs households. ***Agency role:*** Managed relationship with apartment managers/owners as well as the Department of Housing & Urban Development to ensure at-risk units remain affordable, and provided funding for costs associated with initial due diligence, such as updating appraisals. Served as an intermediary to seek out additional resources, including federal, state and local financial assistance programs.

## **2.6 Other Housing Accomplishments**

1. **Landlord and Tenant Counseling:** Responded to an annual average of 1,400 calls and inquiries from landlords and tenants, and to an annual average of over 1,200 calls from home seekers.

2. **Housing Scholarship Program:** Continued administration of the City's Housing Scholarship Program, assisting over 300 families with rental assistance, so that eligible families could become self-sufficient.
3. **Inclusionary Housing Ordinance:** Implemented the City's Inclusionary Housing Ordinance that requires all new residential developments, including those in the Project Area, to reserve 15% of the project as affordable to very low and low income renters and moderate income homebuyers.
4. **Issuance of Bonds for Housing Programs:** In May 2003, the Agency issued a bond secured by 50% of the Affordable Housing Fund (20% housing set-aside of tax increment revenue), creating approximately \$16-18 million to invest in new affordable housing development.
5. **Assistance for Hurricane Katrina Evacuees:** Immediately following Hurricane Katrina in 2005, some displaced families found their way to Fremont and were in desperate need of social services and housing. City staff were able to quickly mobilize help to displaced families, when the Office of Housing and Urban Development (HUD), waived several regulatory barriers which allowed the City to allocate \$40,000 in CDBG funding for immediate public service access. Funds were used to help families purchase needed services, goods, and to rent housing for up to three (3) months. The City's Office of Housing and Redevelopment placed ten (10) families in affordable housing through negotiation with supportive local landlords and made the payment of the initial deposit required to secure an apartment. The City assisted these families to remain in their housing units by making full payment of each family's rent for at least three (3) months for those families that received no public housing benefits. Eight (8) of the ten (10) families assisted have made Fremont their home and have progressed through various stages toward self-sufficiency, resulting in permanent employment and enrollment in vocational training programs.
5. **Workforce Housing Reward Grant:** The State awarded the City of Fremont a \$97,000 Workforce Housing Reward Grant in 2005 and a \$626,000 Workforce Housing Reward Grant in 2006. Funded through Proposition 46, the grant rewards jurisdictions that approve housing affordable to very low and low income households. The 2005 grant was used to fund traffic calming devices on Davis Street near Irvington Terrace Apartments in the Irvington Redevelopment Area. The 2006 grant was used to assist with the development of Maple Square Apartments located in the Centerville Redevelopment Area, and to help

finance an environmentally sustainable parking lot on Bay Street in the Irvington Redevelopment Area. The grant funds resulted from the development of Irvington Terrace, Maple Square and Lincoln Oaks Apartments, all of which received Redevelopment Agency financial assistance.

6. **Helen Putnam Award:** In 2005, the City of Fremont was awarded the 2005 League of California Cities Helen Putnam Award for Excellence in the Housing Programs and Innovations category for Fremont Oak Gardens, a 50-unit affordable rental community with special amenities designed to meet the needs of hearing-impaired seniors. The Redevelopment Agency assisted the development with \$3.3 million of affordable housing funds.
7. **California Redevelopment Association Award of Excellence:** In 2004, the California Redevelopment Association (CRA) awarded the Redevelopment Agency the 2004 CRA Award of Excellence in the Single Family Residential Development category for Adams Avenue Homes, a 17-unit affordable development for low and moderate-income first-time homebuyers. Adams Avenue Homes opened in 2002 and was jointly built by Eden Housing and Habitat for Humanity. The new development, which included sidewalk and street improvements and the relocation of overhead utilities underground, replaced dilapidated rental housing fronting an unimproved street with no sidewalks. The Redevelopment Agency provided \$3.2 million of affordable housing funds to help finance the \$6.8 million housing and street improvement project.

## **IV. IDENTIFICATION OF KEY BLIGHTING CONDITIONS AND DEFICIENCIES TO BE CORRECTED**

The Implementation Plan must provide an explanation of how the goals, objectives, programs and expenditures for the next five years will serve to eliminate blight in the Project Areas. This section summarizes the blighting factors that continue to affect the various sub-areas of the Merged Project Area. Section V below describes the goals, objectives and programs for each constituent portion of the Merged Project Area, and explains how the programs and projects will help eliminate the remaining blighting conditions identified in this Section IV.

### **1. Conditions of Blight Existing in the Niles, Irvington, and Centerville Areas**

The following is a list of blighting factors that remain in the three historic district portions of the Merged Project Area. A definition of the blighting condition is provided, followed by a description of conditions that remain to be corrected in each of the Project Areas.

**A. Unsafe Buildings:** (Definition) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.

The three historic district portions of the Merged Project Area contain buildings that are unsafe and unhealthy due to deteriorated foundations, walls, roofs, and wiring, among other deficiencies. The Merged Project Area is also susceptible to future earthquakes, and many buildings are vulnerable to this seismic risk due to their age, construction type or generally dilapidated condition. Both commercial and residential buildings are affected by these conditions.

**B. Conditions Hindering the Viable Use of Buildings or Lots:** (Definition) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.

Conditions in portions of each subarea of the Merged Project Area hinder the viable use of building or lots in these portions. In Niles, these conditions include buildings built to outdated building standards and on lots not consistent with current zoning regulations. In Centerville and Irvington, the design and use of some buildings is inconsistent with the land use designations in the current general plan and zoning ordinance.

**C. Adjacent or Nearby Incompatible Uses:** (Definition) Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.

Incompatible uses exist in the historic district portions of the Merged Project Area, such as homes next to industrial or railroad sites. These incompatible uses can have an adverse affect on residents and have prevented the development of the area.

**D. Irregular Lots in Multiple Ownership:** (Definition) The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.

Early subdivision practices and the presence of railroad and street rights-of-way resulted in lots of irregular size and shape in multiple ownership in the historic portions of the Merged Project Area.

**E. Impaired Property Values Due to Hazardous Wastes:** (Definition) Impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459).

Several significant hazardous wastes sites exist in the Merged Project Area, including the Henkels site in Niles. The presence of hazardous wastes on these properties has depressed their values due to the need to remediate environmental contamination before redevelopment can occur. Other sites are currently occupied by businesses than handle or process hazardous materials, included a multitude of automobile related sites in Centerville and Irvington. The uncertainty surrounding future environmental remediation responsibilities contributes to impaired property values in these areas.

**F. Indicators of Economically Distressed Buildings:** (Definition) Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.

The older commercial areas of the historic districts generally exhibit lower lease rates and higher vacancy rates than in other parts of Fremont. Poor pedestrian and vehicular access and deteriorated, outdated facades contribute to the current business conditions.

**G. Lack of Neighborhood Commercial Opportunities:** (Definition) A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.

The commercial core in Niles is deficient in neighborhood shopping and commercial opportunities. Encouraging mixed-use development (including retail, other services, and



residential uses) within the commercial district will be necessary to build upon and complement existing antique stores and to attract other commercial businesses to the area.

**H. High Crime Rates:** (Definition) A high crime rate that constitutes a serious threat to the public safety and welfare.

Crime rates are higher in the historic district portions of the Merged Project Area than in the rest of Fremont. The higher than average prevalence of property crime in particular threatens the public and dampens investment in the area.

**I. Inadequate Public Improvements:** (Definition) Inadequate public improvements or inadequate water or sewer utilities.

Throughout the historic portions of the Merged Project Area, there are streets with inadequate street improvements, requiring: repair of existing or construction of new curbs, gutters, and sidewalks; improvements to encourage pedestrian environment, such as installing benches, planters, and street trees; and enhancement of lighting.

## **2. Conditions of Blight Existing in the Industrial Area**

The major statutorily recognized blighting condition adversely affecting the Industrial Area portion of the Merged Project Area at the time of its establishment in 1983 was the lack of public transportation infrastructure. This recognized blighting condition substantially hindered the viability of the intended development of the area for light industrial uses, and in turn jeopardized the City General Plan's vision for the area as a critical component of an economically balanced and viable Fremont community. While significant progress has been made to alleviate this condition, a few public accessibility problems continue to adversely affect the development of the area as described below.

**A. Interstate-880 (I-880) Interchanges:** Work remains to be completed on the I-880 Mission Boulevard interchange. The existing configuration of this interchange impedes traffic on I-880 and on surrounding streets and intersections.

**B. Public Infrastructure and Circulation Impairments:** Fremont Boulevard is congested, and until it is widened, it will continue to obstruct the flow of traffic in the Industrial Area.

**C. Multimodal transit station:** The lack of a multimodal transit station is a major contributing factor to the Industrial Area's inaccessibility and the Area's unmet economic development potential. While interchange improvements and Fremont Boulevard widening will facilitate personal vehicle access, public transportation alternatives for the Industrial Area are becoming more and more critical to the region.

## **V. AGENCY NON-HOUSING ACTIVITIES DURING THE IMPLEMENTATION PERIOD (GOALS, OBJECTIVES, PROGRAMS AND BLIGHT ELIMINATION)**

This section sets forth, for each constituent portion of the Merged Project Area, the Agency's goals, objectives and proposed programs for non-housing activities during the Implementation Period, and describes how the proposed programs and expenditures will eliminate blight in the respective project areas. Section VI below estimates the revenues that will be available to the Agency to implement the non-housing programs during the Implementation Period and sets forth the anticipated non-housing expenditures by program category for each portion of the Merged Project Area.

As discussed in the Introduction, the ultimate outcome of the proposed Redevelopment Plan Amendment, which would provide additional resources for future redevelopment activities, will remain uncertain until early 2009. Therefore, the discussion of the proposed programs and anticipated expenditures during the Implementation Period has been expanded to include the funding alternatives under the current \$400 million cap for the Industrial Area portion of the Merged Project Area and under the proposed Redevelopment Plan Amendment, which will provide additional resources beginning FY 2011/12.

### **1. Niles Area**

#### **1.1 Area Map and Background**

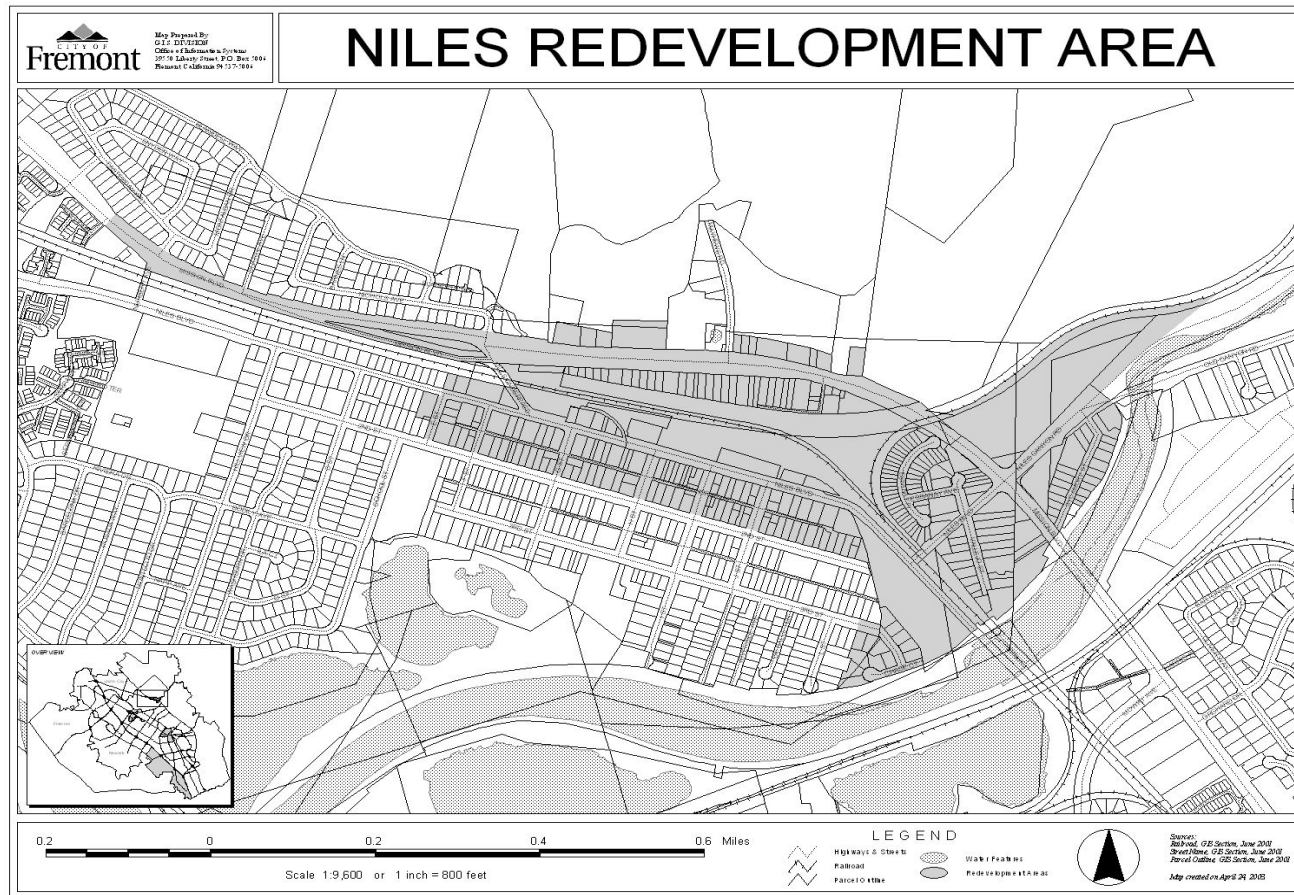
The 68-acre Niles "Original Area" is located in the northeastern part of Fremont and is within the Niles Planning Area, one of Fremont's four historic commercial districts. The Niles Redevelopment Plan was originally adopted in 1977 to revitalize the historic commercial district and surrounding residential neighborhoods. The Plan was amended in 1994 to be in compliance with the CRL as amended by AB 1290. In 1998, the Plan was amended as part of the 1998 Amended Plans, which added the 70-acre "Added Area" that consists of the commercial and residential area adjacent to the Original Area, extending along Niles Boulevard to Second Street, and Mission Boulevard to Nursery Avenue. (See Figure IV-1A for a map of the entire Niles Area portion of the Merged Project Area.)

#### **1.2 Redevelopment Goals**

The Niles Area has not realized its full economic potential. The full implementation of the Redevelopment Plan will increase the amount of pedestrian activity, enhance the sales per square foot of businesses, preserve the historic character of the district and provide more diverse retail opportunities for residents of the project area and the City.

The Agency will focus on the following general redevelopment goals for the Niles Area during the Implementation Period:

- The elimination of adverse physical and economic conditions within the Niles Area, including the provision of public infrastructure improvements that will stimulate private reinvestments.
- The enhancement of the historic business district in Niles, including the attraction and retention of neighborhood-serving commercial facilities, the promotion of tourism-based businesses, and the attraction of new, complementary restaurant and specialty retail uses to make Niles a destination for workers and residents in other areas of Fremont and vicinity.
- The conservation and enhancement of existing residential neighborhoods through housing rehabilitation and circulation, open space and other public improvements.
- The creation of residential opportunities for various segments of the community, including the provision of quality affordable housing within and outside the Project Area, as required by the CRL.



**FIGURE IV-1A**

### **1.3 Implementation Plan Programs without Redevelopment Plan Amendment**

Following are the major proposed non-housing programs for the Niles Area portion of the Merged Project during the Implementation Period if the Plan Amendment is not enacted and a discussion of how the proposed activities will help to eliminate identified blighting conditions.

#### **Program 1. Support Enhanced Performance of Businesses**

The Agency will seek to work in collaboration with property owners and business owners to support enhanced business performance in the Niles Area.

##### Objectives

The following specific objectives for the Niles Area will be priorities during the Implementation Period:

1. The promotion of pedestrian-oriented uses and spaces especially in the historic business district.
2. The attraction of appropriate new businesses and retention and expansion of existing businesses in coordination with citywide economic development programs.

##### Projects

As funding permits, the Agency will implement the following projects during the Implementation Period to reduce business vacancies, improve property values, and increase retail sales performance:

- Continue efforts focusing on retail Marketing, Promotion, and Business Recruitment Program in collaboration with the Main Street Property Owners, City staff, residents and other interested Niles groups.
- Working with area businesses and community, continue facilitating Niles Commercial Revitalization and Transit Enhancement Program.
- Working with the Office of Economic Development, provide business development resources (e.g., seminars, workshops, written materials) to small businesses.

#### **Program 2. Support Investment in Privately-Owned Property**

The Agency will work with property owners, residents and business owners to enhance the appearance and function of private properties.

##### Objectives

The following specific objectives for the Niles Area will be priorities during the Implementation Period:

1. The renovation of and/or expansion of substandard buildings and the appropriate reuse of buildings whose uses conflict with uses permitted in the General Plan.
2. The conservation and rehabilitation of historic and contributory buildings that are an important link to Nile's heritage.
3. The development of vacant and underutilized properties.

#### Projects

As funding permits, the Agency will implement the following projects during the Implementation Period to maximize use of buildings and improve physical deficiencies of private structures:

- Provide grants and loans through revised and expanded Commercial Rehabilitation Program to encourage building restoration in the core commercial areas of Niles, including assistance for:
  - Façade improvements.
  - Correction of building safety deficiencies and tenant improvements.
  - Signage, lighting, and landscaping.
  - Design grants.
- Initiate development of Phase 2 of the former UP Site which may include land swap and/or acquisition for commercial development opportunities.

### **Program 3. Invest in Public Infrastructure**

The Agency will make strategic investments in public infrastructure to help stimulate private investment in the Niles Area.

#### Objectives

The following specific objectives for the Niles Area will be priorities during the Implementation Period:

1. The development of appropriate public gathering places and focal points for employees and customers in the Niles historic business district.
2. The enhancement of traffic flow and pedestrian safety throughout the Niles Area.
3. The enhancement of transit connections in the historic district.

#### Projects

As funding permits, the Agency will implement the following projects during the Implementation Period to provide needed public infrastructure and facilitate development of vacant and underutilized property in the Niles Area:

- Complete Phase 1 of the former UP Site redevelopment project, which will complete the remediation and ultimate construction of the Niles Town Plaza in the central portion of the Niles district.
- Neighborhood sidewalk, streetscape and landscaping improvements (G, H, I and J Streets).
- Initiate work on design and construction of direct accessway between the disembarking side of the Niles Canyon Railway and the Niles Town Plaza, in order to provide a safe pedestrian crossing option from one side of the UP railroad tracks to link to the future Town Plaza in order to achieve a more direct route to the Niles commercial district.
- Contribute funding for the construction of the new fire station (Fire Station #2 in the district).

#### **1.4 Additional / Expanded Programs with Redevelopment Plan Amendment**

Successful completion of the Plan Amendment process in early 2009 would result in significant additional resources available to the Agency beginning in FY 2011/12. Following is the list of non-housing programs and activities that the Agency would be able to expand or initiate in the Niles Area, once these additional resources become available:

- Tourist/Visitor Attraction Program (including Historic Train) – facilitate development of Niles as a tourist/visitor-serving location, including: creation of a marketing plan for tourist/visitor attraction, development of a program to attract restaurants and other retail; development/support and implementation of an events program;
- Public and Private Parking Facilities – provide increased municipal parking resources in the central area through property acquisition and development of parking facilities;
- Property Acquisition – facilitate acquisition of properties to stimulate private development for future redevelopment/economic development opportunities;
- Redevelopment of Henkel site – facilitate private sector redevelopment of the site;
- Redevelopment and Parking Lot Improvements of the UP Site (Phase 2) – facilitate redevelopment of the site for future mixed uses;
- Historic Building Assessment – identify and prepare initial assessment for potentially significant historic buildings and prepare a list of character defining features related to the historic district in order to streamline and guide future development;
- Commercial Rehabilitation Program – additional funding to facilitate implementation of the program to encourage façade improvements, building restoration and rehabilitation of properties targeting key areas within the district;
- Niles Concept Plan Implementation – implement projects in Niles at various locations, consistent with Niles Concept Plan;

- Vallejo Mills Park (reconstruction of a mill) – facilitate reconstruction of a historic mill in Vallejo Mills Park;
- Circulation and Traffic Operation Improvements – facilitate street and intersection improvements, enhance traffic circulation, reduce pedestrian/vehicle conflicts, and achieve safer and more consistent street widths as appropriate throughout the district;
- Alley Improvements – facilitate rehabilitation of the alley by working with private owners;
- Niles Pedestrian Bridge/Accessway – facilitate land acquisition, site clean-up, ADA-related improvements and construction;
- Recreational facilities improvements – facilitate enhancements to the district’s recreational amenities (e.g. Quarry Lakes, Alameda Creek Trail, etc).

## **1.5 Elimination of Blight**

The projects proposed for the Niles Area during the Implementation Period will reduce blight in the following manner: Commercial opportunities and business conditions will be enhanced through Program 1 (Support Enhanced Business Performance) projects. These projects will increase the economic viability of the commercial area, enhance property values and increase the number of commercial facilities in the Niles Area.

Unsafe and substandard buildings and underutilized properties will be improved through Program 2 (Support Investment in Privately-Owned Property) projects. These projects will increase the economic viability of the commercial area, enhance design of signage and facades and encourage new construction in the Niles Area.

Public infrastructure will be improved through Program 3 (Invest in Public Infrastructure) projects. These projects will increase the economic viability of the commercial area and encourage new construction in the Niles Area.

## **2. Irvington Area**

### **2.1 Area Map and Background**

The 150-acre Irvington “Original Area” is located in the central part of Fremont and is within the Irvington Planning Area. Irvington is one of Fremont’s four historic commercial districts. The Irvington Area is centered at the “Five Corners” intersection of Washington and Fremont Boulevards. The Irvington Redevelopment Plan was originally adopted in 1977 to revitalize the historic commercial district and surrounding residential neighborhoods. In 1998, the Plan was amended as part of the 1998 Amended Plans, which added the approximately 323 acre “Added Area” of land contiguous to the Original Area within the boundaries of the Amended Irvington Survey Area as



established and amended by the City Council. See Figure IV-2A for a map of the Irvington Area portion of the Merged Project Area.

## **2.2     Redevelopment Goals**

The Irvington Area has not reached its full economic potential. Implementation of the Redevelopment Plan will create a more desirable neighborhood with pedestrian retail experience, preserve the historic character of the district, generate higher sales per square foot for commercial businesses, and enhance residential living opportunities.

The Agency will focus on the following general redevelopment goals for the Irvington Area during the Implementation Period:

- The elimination of adverse physical and economic conditions within the Irvington Area, including the provision of public infrastructure improvements that will stimulate private reinvestment.
- The enhancement of the historic business district in Irvington, including the attraction and retention of neighborhood-serving commercial facilities, and the attraction of restaurants and specialty retail uses to make Irvington a destination point for workers in the industrial and other areas of Fremont.
- The conservation of enhancement of existing residential neighborhoods, through housing rehabilitation, and circulation, open space and other public improvements.
- The creation of residential opportunities for various segments of the community, including the provision of quality affordable housing within and outside the Project Area, as required by the CRL.

FIGURE IV-2A



## **2.3 Implementation Plan Programs without Redevelopment Plan Amendment**

Following are the major proposed non-housing programs for the Irvington Area portion of the Merged Project Area during the Implementation Period if the Plan Amendment is not enacted, and a discussion of how the proposed activities will help to eliminate identified blighting conditions.

### **Program 1. Support Enhanced Performance of Businesses**

The Agency will seek to work in collaboration with property owners and business owners to support enhanced business performance in the Irvington Area.

#### Objectives

The following specific objectives for the Irvington Area will be priorities during the Implementation Period:

1. The promotion of pedestrian-oriented uses and spaces especially in the historic business district.
2. The attraction of appropriate new businesses and retention and expansion of existing businesses in coordination with citywide economic development programs.

#### Projects

As funding permits, the Agency will implement the following projects during the Implementation Period to reduce business vacancies, improve property values, and increase retail sales performance:

- Recruitment of new specialty retailers and restaurants through marketing efforts in collaboration with Office of Economic Development, property owners and other Irvington groups.
- Provide small businesses with access to business development resources (e.g. seminars, workshops, written materials).

### **Program 2. Support Investment in Privately-Owned Property**

The Agency will work with property owners, residents and business owners to enhance the appearance and function of private properties.

#### Objectives

The following specific objectives for the Irvington Area will be priorities during the Implementation Period:

1. The renovation of substandard buildings and the appropriate reuse of buildings whose uses conflict with uses permitted in the General Plan.
2. The conservation and rehabilitation of historic and contributory buildings that are an important link to Irvington's heritage.

### Projects

As funding permits, the Agency will implement the following projects during the Implementation Period to maximize use of buildings and improve physical deficiencies of private structures:

- Irvington Concept Plan zoning modifications.
- Commercial Rehabilitation loan/grant program to encourage building restoration in Irvington, including assistance to install high quality:
  - Façade improvements.
  - Building safety deficiencies and tenant improvements.
  - Signage and lighting.
  - Design grants.
- Conceptual planning assistance to property owners regarding redevelopment of property in a manner consistent with Irvington Concept Plan.

### **Program 3. Invest in Public Infrastructure**

The Agency will make strategic investments in public infrastructure to help stimulate private investment in the Irvington Area.

#### Objectives:

The following specific objectives for the Irvington Area will be priorities during the Implementation Period:

1. The encouragement of parking consolidation and development of new parking within the business district to provide adequate and convenient parking, in a manner sensitive to the rights and needs of property owners, while enhancing public access to the historic district.
2. The enhancement of traffic flow throughout the project area, including the completion of a grade separation on Washington Boulevard near Osgood, extension and widening of arterial streets, and intersection improvements.
3. The potential development of an Irvington BART station in support of the extension of the BART Fremont line and the provision of ancillary public transportation facilities and services that use Irvington as a transportation hub, all in the support of the revitalization of commercial and residential portions of the Project Area.
4. The elimination of substandard sized lots and lots of irregular shapes.
5. The enhancement of transit connections throughout the district.

## Projects

As funding permits, the Agency will implement the following projects during the Implementation Period to improve street conditions and stimulate investment in vacant or underutilized land:

- Assist in Financing street and intersection improvements, such as the Washington Grade Separation, and achieve safe and more consistent street widths as appropriate throughout the Project Area.
- Bay Street Streetscape and Parking Project – Public Infrastructure Improvements.
- Municipal and private parking consolidation projects.
- Contribution to feasibility studies for the future BART Station in Irvington.

### **2.4 Additional/Expanded Programs with Redevelopment Plan Amendment**

Successful completion of the Plan Amendment process in early 2009 would result in significant additional resources available to the Agency beginning in FY 2011/12. Following is the list of non-housing programs and activities that the Agency would be able to expand or initiate in the Irvington Area, once these additional resources become available:

- Irvington BART station – funding for design and construction of the station;
- Selected Bay Street Properties Redevelopment – facilitate redevelopment of a portion of Bay St properties for future mixed uses;
- Selected Main Street Properties Redevelopment – facilitate redevelopment of a portion of Main St properties for future residential and mixed uses;
- Monument Center Redevelopment – facilitate private sector redevelopment of the site;
- Property Acquisition – facilitate acquisition of properties to stimulate private development for future redevelopment/economic development opportunities;
- Public and Private Parking Facilities – develop municipal and private parking projects to increase parking opportunities in the area;
- Historic Building Assessment – identify and prepare initial assessment for potentially significant historic buildings and prepare a list of character defining features related to the historic district in order to streamline and guide future development;
- Commercial Rehabilitation Program – additional funding to facilitate implementation of the program to encourage façade improvements, building restoration and rehabilitation of properties targeting key areas within the district;
- Irvington Concept Plan Implementation – facilitate implementation of projects in Irvington at various locations, consistent with Irvington Concept Plan;
- Circulation and Traffic Operation Improvements – provide new street improvements including paving, curbs, gutters, sidewalks, lighting, trees and

landscaping as appropriate throughout the Project Area; undertake street and intersection improvements to enhance traffic circulation, reduce pedestrian/vehicle conflicts, and achieve safer and more consistent street widths as appropriate throughout the Irvington Area.

## **2.5 Elimination of Blight**

The projects proposed for the Irvington Area during the Implementation Period will reduce blight in the following manner: Business conditions will be enhanced through Program 1 (Support Enhanced Business Performance) projects. These projects will increase the economic viability of the commercial area, enhance property values and increase the number of commercial facilities in the Irvington Area.

Unsafe and substandard buildings and underutilized properties will be improved through Program 2 (Support Investment in Privately-Owned Property) projects. These projects will increase the economic viability of the commercial area, enhance the appearance of utilities, enhance design of signage and facades and encourage new construction in the Irvington Area.

Public infrastructure will be improved through Program 3 (Invest in Public Infrastructure) projects. These projects will increase the economic viability of the commercial area and encourage new construction in the project area.

## **3. Centerville Area**

### **3.1 Area Map and Background**

The 302-acre Centerville Area is located in the City's Centerville area, originally one of five communities that were incorporated into what is now the City of Fremont. The Centerville Redevelopment Plan was adopted in 1997 to revitalize this historic commercial district and surrounding residential neighborhoods. The Centerville Area boundaries are roughly South Monroe to the east; Glenmoor Drive to the south; Alder Avenue to the west; and Paseo Padre Parkway to the north. See Figure IV-3A for a map of the Centerville Area portion of the Merged Project Area.

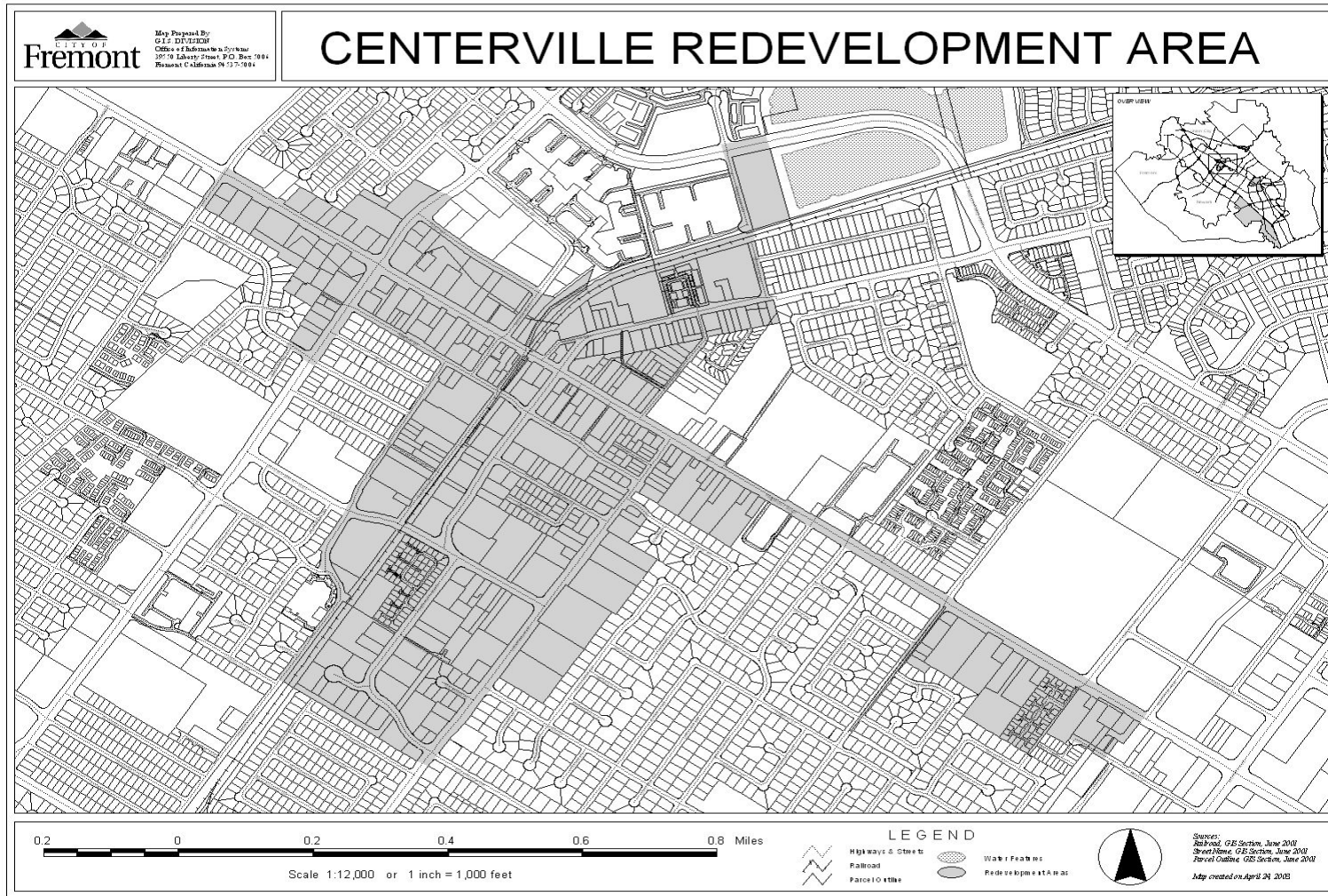
### **3.2 Redevelopment Goals**

The Centerville Redevelopment Plan's overall purpose is to achieve physical and economic revitalization of the entire Centerville area by capitalizing upon the area's historical, social, educational and cultural resources to revitalize the historic business district and surrounding neighborhoods. Creating a vital retail core is key to the redevelopment efforts. This Implementation Plan will encourage private investment in the Centerville Area and will implement the Centerville Specific Plan.

The Agency will focus on the following general redevelopment goals for the Centerville Area during the Implementation Period:

- The elimination of the adverse physical and economic conditions within the Centerville Area, including the provision of public infrastructure improvements that will stimulate private reinvestment.
- Revitalization of Centerville's historic community business district.
- Provision of new housing opportunities for existing and future residents in locations undergoing land use transition.
- Conservation of Centerville's historic resources.

FIGURE IV-3A





### **3.3 Implementation Plan Programs without Redevelopment Plan Amendment**

Following are the major proposed non-housing programs for the Centerville Area portion of the Merged Project Area during the Implementation Period if the Plan Amendment is not enacted, and a discussion of how the proposed activities will help to eliminate identified blighting conditions

#### **Program 1. Support Enhanced Performance of Businesses**

The Agency will seek to work in collaboration with property owners and business owners to support enhanced business performance in the Centerville Area.

##### Objectives

The following specific objectives for the Centerville Area will be priorities during the Implementation Period:

1. The concentration of retail activities in the historic business district of Centerville (Identified as Sub-area 1 in the Centerville Specific Plan).
2. The promotion of pedestrian-oriented uses and spaces especially in the historic business district, including the retention of business entrances on Fremont Boulevard, as appropriate.
3. The attraction of appropriate new businesses and retention and expansion of existing businesses in coordination with citywide economic development programs.

##### Projects

As funding permits, the Agency will implement the following projects during the Implementation Period to reduce business vacancies, improve property values, and increase retail sales performance:

- Recruitment of new specialty retailers and restaurants through marketing efforts in collaboration with property owners and other Centerville groups.
- Provide small businesses with access to business development resources (e.g. seminars, workshops, written materials).

#### **Program 2. Support Investment in Privately-Owned Property**

The Agency will work with property owners, residents and business owners to enhance the appearance and function of private properties.

### Objectives

The following specific objectives for the Centerville Area will be priorities during the Implementation Period:

1. The conservation and rehabilitation of historic and contributory buildings that are an important link to Centerville's heritage.
2. The elimination or renovation of substandard buildings and those that conflict with uses proposed in the General plan and Specific Plan.
3. The creation of sites of adequate shape and size for redevelopment in accordance with a unified development plan by assembling smaller parcels of inadequate size and shape.

### Projects

As funding permits, the Agency will implement the following projects during the Implementation Period to maximize use of buildings and improve physical deficiencies of private structures:

- Centerville Unified Redevelopment Site disposition and development.
- Commercial Rehabilitation loan/grant program to encourage building restoration in Centerville, including assistance to install high quality:
  - Façade improvements.
  - Building safety deficiencies and tenant improvements.
  - Signage and lighting.
  - Design grants.
- Conceptual planning assistance to property owners regarding redevelopment of property in a manner consistent with Centerville Specific Plan.
- Support for implementation of Center Theatre Business Plan.

### **Program 3. Invest in Public Infrastructure**

The Agency will make strategic investments in public infrastructure to help stimulate private investment in the Centerville Area.

### Objectives:

The following specific objectives for the Centerville Area will be priorities during the Implementation Period:

1. The encouragement of regional commuter rail service and Amtrak intercity service utilizing the existing railroad right-of-way, and the encouragement of other transit linkages to and through Centerville.
2. The encouragement of parking consolidation and development of new parking within the business district to provide adequate and convenient parking, in a

- manner sensitive to the rights and needs of property owners, while enhancing public access to the historic district.
3. The preservation and creation of civic, cultural, recreational and educational facilities as a catalyst for area revitalization.
  4. Continue to enhance the historic character, features and amenities of the Centerville Train Depot and the surrounding area.
  5. The enhancement of transit connections throughout the historic district.

### Projects

As funding permits, the Agency will implement the following projects during the Implementation Period to improve street conditions, satisfy parking and transportation needs and stimulate investment in vacant or underutilized land:

- Parking, access, and platform improvements associated with the Centerville Depot.
- Neighborhood sidewalk and landscaping improvements
- Municipal and private parking consolidation projects
- Creation of Recreational facilities on City-owned land at Dusterberry and Peralta.

### **3.4 Additional/Expanded Programs with Redevelopment Plan Amendment**

Successful completion of the Plan Amendment process in early 2009 would result in significant additional resources available to the Agency beginning in FY 2011/12. Following is the list of non-housing programs and activities that the Agency would be able to expand or initiate in the Centerville Area, once these additional resources become available:

- Re-use of former Fire Station 6 Site – facilitate re-use of the former fire station 6 site;
- Redevelopment of Peralta Gas Station Site – facilitate private sector redevelopment of the site;
- Property Acquisition - facilitate acquisition of properties to stimulate private development for future redevelopment/economic development opportunities;
- Public and Private Parking Facilities – provide increased municipal parking resources in the central area through property acquisition and development of parking facilities;
- Enhancement of Transit Connections – assist in the construction of stations and connectors to local, regional and national transportation systems (including the 2<sup>nd</sup> platform at Centerville Depot);
- Grade Crossing Improvements – facilitate improvement of grade crossings as necessary throughout the Centerville Area;

- Historic Building Assessment – identify and prepare initial assessments for potentially significant historic buildings and prepare a list of character defining features related to the historic district in order to streamline and guide future development;
- Commercial Rehabilitation Program – additional funding to facilitate implementation of the program to encourage façade improvements, building restoration and rehabilitation of properties targeting key areas within the district;
- Centerville Specific Plan Implementation – facilitate implementation of projects in Centerville, consistent with Centerville Specific Plan;
- Park Development – facilitate funding of construction and development of a potential new recreational opportunity at Dusterberry and Peralta;
- Circulation and Traffic Operation Improvements – provide circulation improvements, including traffic control devices, turning lanes, etc., with special emphasis on major arterials; enhance traffic circulation, reduce pedestrian/vehicle conflicts, and achieve safer and more consistent street widths as appropriate throughout the district.

### **3.5 Elimination of Blight**

The projects proposed for the Centerville Area during the Implementation Period will reduce blight in the following manner: Business conditions will be enhanced through Program 1 (Support Enhanced Business Performance) projects. These projects will increase the economic viability of the commercial area, enhance property values and increase the number of commercial facilities in the Centerville Area.

Unsafe and substandard buildings and underutilized properties will be improved through Program 2 (Support Investment in Privately-Owned Property) projects. These projects will increase the economic viability of the commercial area, enhance the appearance of utilities, enhance design of signage and facades and encourage new construction in the Centerville Area.

Public infrastructure will be improved through Program 3 (Invest in Public Infrastructure) projects. These projects will increase the economic viability of the commercial area, provide enhanced street facilities and encourage new construction in the project area.

## **4. Industrial Area**

### **4.1 Area Map and Background**

The Industrial Area consists of approximately 3,000 acres of land to the southwest of Interstate-880 (Nimitz Freeway) in the vicinity of the Auto Mall Parkway, Fremont Boulevard, Mission Boulevard, and Dixon Landing Road freeway interchanges. See Figure IV-4A for a map of the Industrial Area portion of the Merged Project Area.

The Industrial Redevelopment Plan was established in 1983, primarily to provide an additional local financing mechanism to fund improvement of the four interchanges along I-880 that serve the Project Area and surrounding industrial land. In 1993, the Agency and the City reaffirmed the blighting conditions in the Project Area and undertook a major plan amendment to increase the amount of tax increment revenue available to fund the blight-alleviating interchange improvements. In 1998, the Plan for the Industrial Project Area was amended as part of the *1998 Amended Plans* that allowed for the merging of financial resources from all four Redevelopment Project Areas to support the Agency's overall redevelopment program for the City, including the completion of regional transportation and economic development projects planned for the Industrial Project Area. In late 2007, staff began processing a major Plan Amendment to extend the Agency's ability to collect tax increment revenue, necessary for completing current redevelopment activities and for initiating new programs in the community. If successful, this Plan Amendment would be adopted in early 2009, and would provide the Agency with significant additional financial resources beginning in FY 2011/12 for use primarily in the Irvington, Niles and Centerville portions of the Merged Project Area, with limited further use for previously identified and authorized activities in the Industrial Area itself.

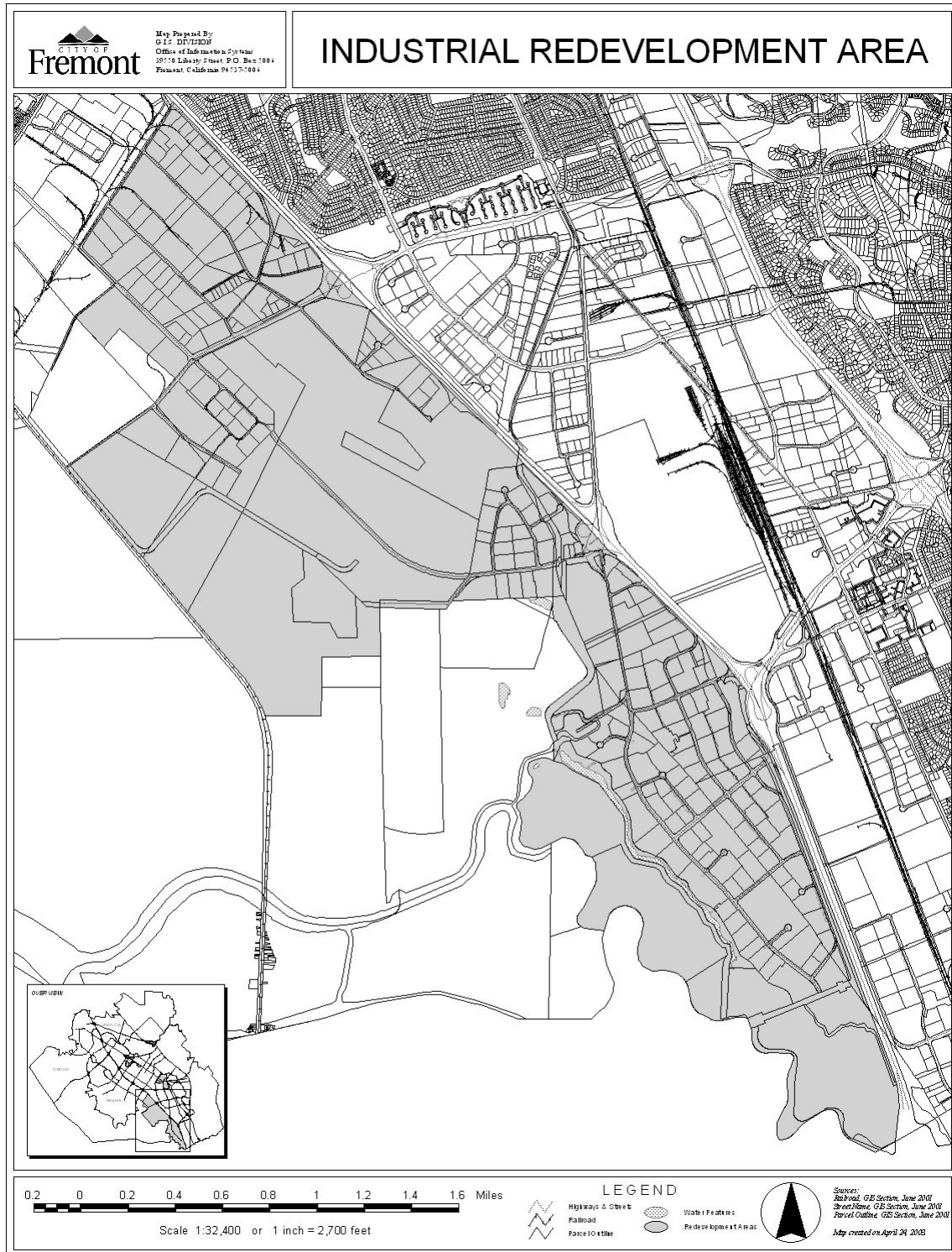
## **4.2 Redevelopment Goals**

The Agency will focus on the following general redevelopment goals for the Industrial Area during the Implementation Period:

- To provide for the residents of Fremont a balance between housing and job opportunities.
- To enable the full development of the Industrial Area as called for in the General Plan without the intolerable levels of traffic congestion and attendant environmental problems that have plagued rapidly expanding industrial areas in some other parts of the Bay Area and elsewhere in California.
- To ensure full utilization of the existing public infrastructure, including the regional highway network, railroad and mass transit systems that already provide excellent service to Fremont and that make Fremont a logical growth corridor for regional development.
- To promote centralized industrial development within the region, thus avoiding the premature spread of development to less accessible areas on the region's fringes with attendant increases in commuter travel times, energy consumption, air pollution, and absorption of prime agricultural lands.
- To retain and attract high-growth, clean industries to the benefit of Fremont, the Bay Area and the entire State of California, thus avoiding the loss of such desirable industries to aggressive competition from Sunbelt and other states and abroad.

- To expand and improve the community's supply of affordable low and moderate-income housing through the use of a portion of the tax increment revenues generated from the Industrial Area as mandated by the Redevelopment Law, and through development of the Affordable Housing.

FIGURE IV-4A



#### **4.3 Implementation Plan Programs without Redevelopment Plan Amendment**

##### **Program 1. Invest in Public Infrastructure**

The Agency will make strategic investments in public infrastructure to help stimulate private investment in the Industrial Area.

##### Objectives:

The following specific objective for the Industrial Area will be the priority during the Implementation Period:

Working with Caltrans, the City of Milpitas and other governmental bodies, the Agency will complete major improvements to the four Interstate-880 interchanges serving the Industrial Area. These interchanges will be upgraded to a capacity level capable of properly serving the private development envisioned for the area.

##### Projects

As funding permits if the Plan Amendment is not enacted, the Agency will implement the following activities during the Implementation Period to improve circulation and transportation deficiencies:

- Assist in financing the completion of improvements to the Interstate-880 interchange at Mission Boulevard and related improvements (e.g. Warren Avenue grade separation project).

#### **4.4 Additional/Expanded Programs with Redevelopment Plan Amendment**

Successful completion of the Plan Amendment process in early 2009 would result in significant additional resources available to the Agency beginning in FY 2011/12. Following is the list of non-housing programs and activities that the Agency would be able to expand or initiate in the Industrial Area, once these additional resources become available:

- Rail Station and Multi-Modal Transit Facility – provide a station for rail service to the area, including multi-modal transit facility and surrounding parking;
- Business and Learning Center – facilitate design and construction of a Business and Learning Center to provide advanced technology, life-long learning facilities and resources;
- Widening of Fremont Blvd – facilitate widening of Fremont Blvd between Cushing Blvd and Warren Ave.



#### **4.5 Elimination of Blight**

The projects proposed during the Implementation Period will reduce blight in the following manner: Public infrastructure will be improved through Program 1 (Invest in Public Infrastructure) projects. These projects will increase the economic viability of the Industrial Area, enhance accessibility, and encourage new construction in the Industrial Area.

### **5. Summary of Non-Housing Projects**

The tables below provide a summary of non-housing projects proposed by the Agency for the Merged Redevelopment Project during the Implementation Period. Table 5-1 identifies a list of projects the Agency proposes to implement under the current \$400 million limit on the collection of the tax increment revenue. Table 5-2 identifies a list of additional/expanded activities the Agency would be able to initiate if it is successful in extending its ability to collect additional tax increment revenue from the Industrial Area.

#### **5.1 Summary of Implementation Plan Programs without Redevelopment Plan Amendment**

**Table 5-1  
Summary of Non-Housing Activities under the Current \$400 Million Cap**

<b>Program 1: Support Enhanced Performance of Business</b>	
<i><b>Project</b></i>	
1	All Historic Districts - Implement Retail Marketing and Business Recruitment Program, in collaboration with Office and Economic Development.
2	All Historic Districts - Provide Business Development Resources, in collaboration with Office of Economic Development.
<b>Program 2: Support Investment in Privately-Owned Property</b>	
<i><b>Project</b></i>	
1	Niles - Union Pacific Property Study Area – Phase 2 Site Disposition.
2	Irvington - Bay Street Streetscape and Parking Project.
3	Irvington -Concept Plan Zoning Modifications.
4	Centerville - Unified Redevelopment Area Disposition and Development.
5	Centerville – Support for Implementation of Center Theater Business Plan.
6	All Historic Districts - Conceptual Planning Assistance to Property Owners of Key Sites in the Area.
7	All Historic Districts – Historic Building Assessment Program
8	All Historic Districts - Commercial Rehabilitation Loan/Grant Program.
<b>Program 3: Invest in Public Infrastructure</b>	
<i><b>Project</b></i>	
1	Niles - Complete Development of Town Plaza.

2	Niles- Initiate work on design and construction of direct accessway across UP railroad tracks
3	Niles – Contribute funding for the construction of the new fire station.
4	Irvington – Assist in Financing for Washington Grade Separation Project.
5	Irvington - Bay Street Streetscape Design Project – Public Infrastructure Improvements.
6	Irvington – Contribution to Irvington BART Station feasibility analysis
7	Centerville Depot – Parking, Access and Platform Improvements.
8	Centerville - Dusterberry/Peralta Recreational Facility development.
9	Industrial – Complete I-880 Interchange improvements at Mission Blvd
10	All Historic Districts – Neighborhood Sidewalk and Landscaping Improvements
11	All Historic Districts- Municipal Parking and Private Parking Consolidation projects.

## **5.2 Summary of Additional/Expanded Implementation Plan Programs with Redevelopment Plan Amendment**

If the Redevelopment Plan Amendment is successfully completed in early 2009, the Agency will receive significant additional resources starting in FY 2011/12. Following is the summary of additional/expanded non-housing programs and activities the Agency will be able to initiate in the Merged Project Area, once these additional financial resources become available.

**Table 5-2**

### **Summary of Non-Housing Activities with Plan Amendment**

<b>Projects</b>	
1	Niles –Tourist/Visitor Attraction Program
2	Niles- Redevelopment of Henkel Site
3	Niles – Redevelopment and Parking Lot improvements of the UP Site (Phase 2)
4	Niles – Reconstruction of historic mill in Vallejo Mills Park
5	Niles – Alley Improvements
6	Niles – Pedestrian bridge/accessway
7	Niles – Enhancement of recreational amenities
8	Irvington – Irvington BART station
9	Irvington – Selected Bay St Properties Redevelopment
10	Irvington – Selected Main St Properties Redevelopment
11	Irvington – Monument Center Redevelopment
12	Centerville – Re-use of former fire station 6 site
13	Centerville – Redevelopment of Peralta Gas Station Site
14	Centerville – Enhancement of transit connections
15	Centerville – Grade crossing improvements

16	Centerville – Recreational opportunity development (Dusterberry/Peralta)
17	All Historic Districts – Commercial Rehabilitation Loan and Façade Improvement Program
18	All Historic Districts – Property Acquisition
19	All Historic Districts – Implementation of Concept/Specific Plans
20	All Historic Districts – Public and Private Parking Facilities
21	All Historic Districts – Historic Building Assessment
22	All Historic Districts – Circulation and Traffic Operation Improvements
23	Industrial – Rail station and multi-modal transit facility
24	Industrial – Business and Learning Center
25	Industrial – Widening of Fremont Blvd (between Cushing Blvd and Warren Ave)

## **VI. PROJECTED REVENUES AND EXPENDITURES OF NON-HOUSING REDEVELOPMENT FUNDS (FY 2008-13)**

This section sets forth a proposed expenditure plan for non-housing activities during the Implementation Period if the Plan Amendment is not enacted. This expenditure plan shows anticipated Agency revenues during the Implementation Period if the Redevelopment Plan Amendment is not enacted, and the proposed uses of those revenues, including an expenditure plan for the net Agency revenues available for non-housing activities after deducting the revenues to be deposited in the Agency's Housing Fund and to be used to make pass-through payments and fund various general administrative costs.

The expenditure plan provided below shows potential expenditures for each basic program type described in Section V above for each constituent portion of the Merged Project Area. It should be noted that the expenditure plan simply sets forth general guidelines and targets for Agency expenditures, and that the actual allocation and appropriation of funds will be set through the Agency's annual public budgeting process. Allocations for various program activities in the Agency's adopted annual budgets during the Implementation Period may vary from the expenditure plans set forth in this Section VI to reflect the then current judgment of the Agency Board about evolving redevelopment needs and opportunities.

The last portion of this section describes the increased revenue that is estimated to become available during the last two years of the Implementation Period if the Plan Amendment is enacted, and describes the ongoing process to prepare a revised expenditure plan to account for the expenditure of such additional revenue.

## Without Redevelopment Plan Amendment

Table VI-1 provides an estimate of Agency's non-housing revenues and expenditures during the Implementation Period under the current \$400 million cap for the Industrial Area portion of the Merged Project Area. As discussed in section I.3, this cap limits the Agency's ability to collect tax increment revenue from the Industrial Area. It is estimated that the Agency will reach the \$400 million cap during the fourth year (FY 2011/12) of the five-year Implementation Period.

**Table VI-1A**  
**Estimated Revenues\* and Expenditures**  
**Non-Housing Redevelopment Funds**  
**From July 1, 2008 through June 30, 2013**

Uses of Funds	Estimated Expenditures
<i><b>Administration</b></i>	
Pass-Through Payments (a)	\$ 41,200,000
Debt Service on Existing Bonds (b)	\$ 33,000,000
Affordable Housing 20% set-aside (c)	\$ 29,400,000
Agency/ County Administration (d)	\$ 12,100,000
<i><b>Niles</b></i>	
Enhanced Business Performance	\$ 300,000
Foster Investment in Privately-Owned Properties	\$ 12,297,000
Public Infrastructure Improvements	\$ 7,538,000
<i><b>Irvington</b></i>	
Enhanced Business Performance	\$ 300,000
Foster Investment in Privately-Owned Properties	\$ 10,400,000
Public Infrastructure Improvements (a)	\$ 5,195,000
<i><b>Centerville</b></i>	
Enhanced Business Performance	\$ 300,000
Foster Investment in Privately-Owned Properties	\$ 6,500,000
Public Infrastructure Improvements	\$ 3,191,000

<i>All Districts</i>	
Contingencies/Opportunity Fund	\$ 8,196,940
<b>Total Estimated Expenditures</b>	<b>\$ 168,320,940</b>

<b>Sources of Funds</b>	<b>Estimated Revenue</b>
Estimated Fund balance as of 7/1/08	\$ 7,170,000
Tax Increment Revenue - Niles	\$ 2,604,880
Tax Increment Revenue - Irvington	\$ 21,707,000
Tax Increment Revenue - Centerville	\$ 12,148,008
Tax Increment Revenue - Industrial	\$ 111,130,918
Estimated Interest Earnings	\$ 11,800,000
<b>Total Estimated Revenue</b>	<b>\$ 168,320,940</b>

<b>Estimated 6/30/13 fund balance</b>	<b>\$ 0</b>
---------------------------------------	-------------

\*Expenditures represent projected appropriations requests, not the cash flow amounts

- (a) Pass-through expenditures represent Agency's annual pass-through payment obligations to the 14 affected taxing entities
- (b) Debt service expenditures represent interest and principal payments on Series 2004 Tax Allocation Bonds, issued by the Agency in May, 2004
- (c) Affordable Housing set asides represent annual revenue deposits (at 20% of gross tax increment receipts) into the Agency's affordable housing fund
- (d) Agency/County administration expenditures represent Agency's general administrative expenses as well as the County's annual fee for the remittance of the property tax revenue

### **With Redevelopment Plan Amendment**

Successful completion of the Redevelopment Plan Amendment will result in additional financial resources available to the Agency beginning FY 2011/12. Specifically, the Agency will be able to collect an estimated additional \$46.4\* million of tax increment revenue from the Industrial Area through the end of the Implementation Period. The impact from the Plan Amendment is projected to be even more significant after FY 2012/13, which would allow the Agency to continue implementing proposed additional/expanded programs summarized in Section 5.2.

As staff and consultants are currently assessing the Agency's future bonding capacity, the detailed estimates regarding the Agency's debt service, pass-through payments and the annual capital projects expenditures are not yet available. As part of the documentation for the proposed Plan Amendment, the Agency will prepare an amendment to this Implementation Plan that will include a revised expenditure plan for the additional funds that would become available during the last two years of the Implementation Plan as a result of enactment of the Plan Amendment. Further, a

comprehensive review of the Agency's proposed expenditures will occur at a minimum annually during the Agency's consideration of its annual Operating Budget and Project Appropriations plan. Finally, the Agency will have an opportunity to update the Implementation Plan, as well as the proposed programs and estimated expenditures, during the Midterm Review process, which will be conducted before June 30, 2011.

\*Figure represents gross tax increment revenue projection in future value dollars.

## **VII. AFFORDABLE HOUSING FIVE-YEAR IMPLEMENTATION PLAN**

This section describes the Affordable Housing Component of the Implementation Plan for the Merged Project Area, and summarizes the Agency's housing obligations pursuant to the legal requirements of the California Community Redevelopment Law as amended by AB 1290, AB 315, AB 637 and SB 701.

### **7.1 Summary of Legal Requirements**

- a. Basic Housing Production Requirement: For housing developed or substantially rehabilitated directly by a Redevelopment Agency, 15% must be affordable to very low-income households, and 15% must be affordable to low or moderate income households. (This requirement applies only to units directly developed by the Agency and does not apply when the Agency enters into agreements with private developers to produce affordable units). For housing developed or substantially rehabilitated in the Project Area by public agencies (other than the Agency) or private developers, 6% must be affordable to very low-income households, and 9% must be affordable to low or moderate income households. *Exhibit VI-1A* shows the current income limits. This requirement is not imposed on each individual project, but rather these affordability requirements must be achieved in the aggregate during each ten-year compliance period.
- b. Housing Fund Requirement: Redevelopment agencies are required to deposit at least 20% of tax increment revenue into an affordable housing fund (housing Fund) and to expend or encumber such deposits in a timely manner. Agencies are further required to target expenditures from the Housing Fund to assist households in different income levels using the regional fair share allocation as a benchmark and must satisfy this requirement over each ten-year compliance period. Redevelopment agencies are also required to assist persons regardless of age in at least the same proportion that the community's population under age 65 bears to the total population of the community over each ten-year compliance period.

- c. Replacement Housing Requirement: Agencies must replace housing units removed from the housing stock as a result of redevelopment activities.

The Affordable Housing component of this Implementation Plan must also include the following components:

- An explanation of how the goals, objectives, programs, and expenditures set forth in the Affordable Housing component of the Implementation Plan will implement the affordable housing requirements;
- An explanation of how the Agency will meet its Housing Fund expenditure targeting requirements;
- A determination as to whether at least 15% of the number of housing units developed or substantially rehabilitated by public or private entities over the past compliance periods by the upcoming ten (10) year housing production compliance period (July 1, 2008 through June 30, 2018) will meet the affordable housing production (inclusionary) requirement (6% affordable to very low income households and 9% to low and moderate-income households);
- An identification of proposed locations for replacement housing, which the Agency will be required to produce if a planned project will result in the destruction of existing affordable housing.

## **7.2 Affordable Housing Program and Expenditure Plan of Affordable Housing Fund**

### **7.2. a Five-Point Housing Program**

Adopted in 1998, the Agency's Five Point Program invests Housing Fund deposits in five distinct programs to meet the City's overall goals to produce, enhance, and preserve affordable housing. The Five Point Program has guided and will continue to guide appropriations and housing investments during the Implementation Period. Currently, Housing Funds are invested in:

1. **New construction**, which provides loans and technical assistance to produce new affordable housing;
2. **First Time Homebuyer's Program**, which provides loans of up to \$40,000 in down payment assistance to increase ownership opportunity for Fremont first time homebuyers and stabilize neighborhoods;
3. **Home Improvement Loan Program**, which provides low interest loans to assist homeowners to improve their homes and to prevent neighborhood deterioration and to arrest blight;
4. **Apartment acquisition and rehabilitation**, which provides acquisition and/or improvement loans at reduced interest rates to secure affordable rents over a

- minimum 55 year term and to prevent neighborhood deterioration and to arrest blight; and
5. **Preservation of affordable housing**, which provides technical assistance and identifies and secures necessary financial resources so that affordable units do not convert to market rate after their restricted affordability term expires, causing a housing crisis for many Fremont households living in affordable units.

Housing funds invested through the Five-Point Program support housing affordable for a variety of Fremont households at all economic levels. Households in the very low and low income categories can least afford housing in Fremont and are typically in need of affordable rental housing, which is developed primarily through New Construction. The City invests affordable housing funds in the New Construction Program with a commitment to meeting the low and very low income housing needs of the community.

## 7.2. b Investments Over the Previous Five Years (FY 2003-2008)

As part of the Five Year Implementation Plan, redevelopment agencies are required to prepare and adopt detailed plans regarding expenditures of the Affordable Housing Fund money. Sections 7.2. c and d below provide a detailed expenditure plan and annual housing production goals for the Agency. Table 7-2A shows how the Affordable Housing Funds were spent in the previous five-year period. This table shows that the Agency invested over \$30 million in the last five years on its Five Point Program, providing assistance to 651 affordable units. In addition, the Agency assisted in preventing 268 affordable units from converting to market rate units through its Affordable Housing Preservation Strategy, at minimum or no cost to the Agency.

<b>Table 7-2A</b> <b>Expenditure of Affordable Housing Funds</b> <b>From July 1, 2003 through June 30, 2008</b>		
<b>Program</b>	<b>Total Investment<sup>1</sup></b>	<b>Total Affordable Housing Units</b>
New Construction <sup>2</sup>	\$25,091,368	311
First Time Homebuyer <sup>3</sup>	\$2,560,000	64
Home Improvement Loan Program <sup>4</sup>	\$1,104,536	23
Apartment Acquisition and Rehabilitation <sup>5</sup>	\$1,390,840	253
Preservation of Affordable Housing <sup>6</sup>	\$19,500	N/A
<b>Total</b>	<b>\$30,166,244</b>	<b>651</b>
Source: City of Fremont Redevelopment Agency, April 2008		
Notes:		
1. Total investment represents amount of affordable housing funds allocated to the Five Point Housing Program.		



2. New Construction includes investment primarily in the following projects: Maple Square Apartments (132 units), Irvington Terrace Apartments (100 units), Fremont Oak Gardens (50 units) Rotary Bridgeway Apartments (18 units), Lincoln Oaks Apartments (11 units) and Eden Housing Peralta Boulevard project (predevelopment costs).
3. First Time Homebuyer Program investment represents down payment assistance made to 64 moderate-income families.
4. Home Improvement Loan Program. Twenty-three (23) families were assisted with home improvement loans (19 families), home access grants (1 family) and beautification grants (3 families).
5. Apartment Acquisition and Rehabilitation. Apartments assisted include Glenview apartments (71 units), Baywood Apartments (82 units) and Century Village (100 units). Glen Haven Apartments was also completed during this five-year reporting period; however, Glen Haven's investment was expended prior to July 1, 2003.
6. Preservation of Affordable Housing. Expenditure represents primarily administrative costs associated with this program.

**7.2. c                      Estimated Funds and Proposed Expenditure Plan for Affordable Housing for the Next Five Years (FY 2008- 2013) without Redevelopment Plan Amendment**

According to the California Redevelopment Law, the Agency is required to include in its Implementation Plan a report on the amount available in the Affordable Housing Funds, estimates of deposits into the Housing Fund during the next five years, and the Agency's plans for utilizing annual deposits to the Housing Fund.

Table 7-3A shows the estimated amount of funds to be deposited into the Affordable Housing Fund in the next five years under the current \$400 million limit on the collection of the tax increment revenue from the Industrial Area. The primary funding source for the Agency's affordable housing activities during the Implementation Plan period will be the 20% housing set-aside of annual tax increment revenue deposited by the Agency into its Affordable Housing Fund. As shown in Table 2-3A, the Agency expects that \$29,532,587 will be available in the Affordable Housing Fund over the next five years, comprised of new deposits of housing tax increment dollars to the Fund during the next five years. The table shows the estimated amount of funds to be deposited annually for the next five years beginning in FY 2008/09 to FY 2012/13. The expenditure plan is shown in greater detail in Table 2-3B.

**Table 7-3A**

**Estimated Deposits to Affordable Housing Fund  
From July 1, 2008 through June 30, 2013**

<i>Fiscal Year</i>	<b>Estimated Deposits to Affordable Housing Fund</b>
Estimated Beginning Fund Balance	\$18,965,000
Estimated Interest Earnings	\$1,366,000
2008/09	\$6,890,946
2009/10	\$ 7,018,280
2010/11	\$ 7,148,160
2011/12	\$ 6,933,458
2012/13	\$ 1,541,743
<b><i>Estimated 20% Deposits Five-Year Total</i></b>	\$29,532,587
<b><i>Estimated Five-Year Revenue Total</i></b>	\$ 50,674,587

Source: Seifel Consulting, Inc. Tax Increment Projections, City of Fremont Redevelopment Agency Budget Forecast projection, April 2008.

Table 7-3B shows the Agency's proposed expenditure plan for the next five-year Implementation Period if the Plan Amendment is not enacted. This table shows the proposed expenditures for each of the five categories of the Agency's Five-Point Housing Program. This expenditure plan also shows the estimated expenditures for housing program administration and bond and loan repayments.

In keeping with the Affordable Housing Investment Strategy (adopted by Redevelopment Agency Board on June 25, 2002), the Agency will continue to target its Five-Point Housing Program, focusing a majority of the funds on new construction. According to Table 7-3B, over the next five years, at least 58% of the Affordable Housing Fund is proposed to be spent primarily on new construction of affordable housing. According to the Affordable Housing Investment Strategy, approximately 80% of the New Construction funds will be spent on rental housing while approximately 20% of the New Construction funds will be spent on homeownership units. The Agency will continue to target its Housing Funds in this ratio to assist in the development of rental and ownership housing units. To date, the Agency has expended 89% of its Housing fund to increase, improve and preserve rental housing and 11% for ownership housing. Expenditures for the First-Time Homebuyer Program and Home Improvement Program (rehabilitation

loan program for single family homes) make up 21% of Affordable Housing Funds. The remaining funds will be spent on acquisition and/or rehabilitation of at least 18 apartment units, the preservation of existing affordable housing units at risk of converting to market rate, repayment of the HELP Program loan due to the State, and for future affordable housing opportunities that may occur.

<b>Table 7-3B</b> <b>Proposed Expenditure Plan for Affordable Housing Fund</b> <b>From July 1, 2008 to June 30, 2013</b>							
	2008/09	2009/10	2010/11	2011/12	2012/13	Total	%
<b>Affordable Housing Production</b>							
New Construction <sup>1</sup>	42	42	32	32	31	179	
First Time Homebuyer	25	20	20	20	20	105	
Home Improvement	6	6	6	5	5	28	
Apartment Acquisition and/or Rehabilitation	-	-	-	-	-	18	
Preservation of Affordable Housing <sup>2</sup>		38	64	35	0	137	
Revolving Loan Fund (HELP)	-	-	-	-	-	-	
Opportunity Fund/Contingency <sup>1</sup>	-	-	-	-	-	26	
Total-Housing Production	-	-	-	-	-	493	
<b>Estimated Expenditures - Programs Only</b>							
New Construction <sup>1</sup>	\$4,000,000	\$4,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$17,000,000	58%
First Time Homebuyer	\$1,000,000	\$800,000	\$800,000	\$800,000	\$800,000	\$4,200,000	15%
Home Improvement	\$400,000	\$400,000	\$350,000	\$300,000	\$300,000	\$1,750,000	6%
Apartment Acquisition and/or Rehabilitation	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000	3%
Preservation of Affordable Housing <sup>2</sup>	\$300,000	\$300,000	\$200,000	\$200,000	\$200,000	\$1,200,000	4%
Revolving Loan Fund (HELP)	\$1,500,000	\$0	\$0	\$0	\$0	\$1,500,000	5%
Opportunity Fund/Contingency <sup>1</sup>	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000	9%
Subtotal - Programs	\$7,900,000	\$6,200,000	\$5,050,000	\$5,000,000	\$5,000,000	\$29,150,000	100%
<b>Estimated Expenditures - Administration and Financing</b>							
Housing Administration	\$1,167,000	\$1,225,000	\$1,287,000	\$1,351,000	\$1,418,000	\$6,448,000	
2003 Bond Repayment	\$2,615,000	\$2,618,000	\$2,616,000	\$2,614,000	\$2,616,000	\$13,079,000	
2000 HELP Loan Repayment	\$0	\$0	\$1,950,000	\$0	\$0	\$1,950,000	
Subtotal - Admin & Finance	\$3,782,000	\$3,843,000	\$5,853,000	\$3,965,000	\$4,034,000	\$21,477,000	
Total Expenditures	\$11,682,000	\$10,043,000	\$10,903,000	\$8,965,000	\$9,034,000	\$50,627,000	
Source: Fremont Redevelopment Agency Proposed Housing Work Program and Budget forecast, FY 2008/09 – 2012/13, March 2008.							
Notes:							
Note 1: New Construction. The 179 unit estimated was derived based on a historic average of \$95,000 per unit of Agency subsidy for family rental apartments. It is possible that another 26 new affordable units may be funded by applying the							

\$95,000 per unit Agency subsidy to the \$2,500,000 Opportunity Fund/Contingency funding total. Thus, a total of 205 new affordable units could possibly be produced from these two funding categories.

Note 2: Preservation. The number of units to be *financially assisted* is yet to be determined. In previous years, the administration costs associated with implementation of the Affordable Housing Preservation strategy were minimal. The numbers of units noted in the chart represent the units the Agency intends to preserve through its housing preservation strategy.

As with the non-housing expenditure program outlined in Section VI, the five-year Housing Fund expenditure program described in Table 7-38 establishes a funding benchmark and is subject to revision as part of the Agency's annual budgeting process in order to reflect evolving affordable housing needs and opportunities.

#### **7.2. d                    Estimated Funds and Proposed Expenditure Plan for Next Five Years With Redevelopment Plan Amendment**

As discussed in Section 6.2, successful completion of the Redevelopment Plan Amendment will result in additional financial resources available to the Agency for both non-housing and housing activities beginning FY 2011/12. Specifically, the Agency will be able to deposit an estimated additional \$9.28 million of 20% housing set-asides into its Affordable Housing Fund. The impact from the Plan Amendment on the 20% deposits is projected to be even more significant after FY 2012/13, which would allow the Agency to undertake additional housing programs and activities.

As staff and consultants are currently assessing the Agency's future bonding capacity under the Redevelopment Plan Amendment, the detailed estimates regarding the Agency's housing and non-housing debt service, pass-through payments and the annual capital projects expenditures are not yet available. As part of the documentation for the proposed Plan Amendment, the Agency will prepare an amendment to this Implementation Plan that will include a revised expenditure plan for the additional funds that would become available during the last two years of the Implementation Plan as a result of enactment of the Plan Amendment. Further, a comprehensive review of the Agency's proposed expenditures will occur at a minimum annually during the Agency's consideration of its annual Operating Budget and Project Appropriations plan for housing and non-housing activities. Finally, the Agency will have an opportunity to update the Implementation Plan, as well as the proposed programs and estimated expenditures, during the Midterm Review process, which will be conducted before June 30, 2011.

#### **7.2. e                    Housing Fund Income Targeting**

Agencies are required to target the use of their Housing Fund to specific income levels. Health and Safety Code Section 33334.4 requires that for each 10-year project area housing production plan compliance period, agencies must expend the monies in the Housing Fund to assist very low and lower income households in at least the same proportion that the number of units needed in the community for these two income categories, bear to the total units needed for very low, lower and moderate income households. Further, agencies must use the regional fair share housing need allocation

provided by its local Council of Governments in determining its targeting obligation. Fremont's fair share housing needs allocation was determined by the Association of Bay Area Governments (ABAG).

In 1991, ABAG certified Fremont's fair share Regional Housing Needs Allocation (RHNA) of 6,708 units which covered the Housing Element planning period of January 1, 1999 to June 30, 2007. Table 7-5A below presents, by income category, the ABAG fair share allocation, the Housing Fund expenditure minimum targeting requirement and the Housing Fund actual expenditure proportions for comparison to the minimum targets. The actual expenditure proportions are based on actual Housing Fund expenditures that occurred over the previous 10-year compliance period for the housing production requirement which started July 1, 1998 and ends on June 30, 2008.

<b>Table 7-5A</b> <b>Expenditure Target for Affordable Very Low and Low income</b> <b>Housing Units</b> <b>(Based on ABAG Fair Share Allocation for 1999-2007)</b>			
<b>Income Category</b>	<b>RHNA*</b>	<b>Housing Fund Expenditure Target (Minimum Legal Requirement)</b>	<b>Actual Housing Fund Expenditure</b>
Very Low	1,079	31%	40%
Low	636	18%	24%
Moderate	1,814	N/A	N/A
Subtotal	3,529		
Add Above Moderate	3,179	N/A	N/A
Total	6,708		
<small>*Source: Association of Bay Area Governments (ABAG), Regional Housing Needs Determination, City of Fremont, 2001.</small>			

As seen at Table 7-5A above, the Agency expended 40% of its Housing Fund to assist very-low income households and 24% to assist low income households. In both income categories, the Agency exceeded the minimum targeting requirement.

The current ten-year compliance period for both the Housing Fund targeting period described in this section and the Project Area production requirement described in Section 7.3 will run from July 1, 2008, through June 30, 2018. Since the ABAG RHNA planning period came to a close in 2007, a new planning period is underway. In July 2007, ABAG adopted the draft RHNA for the 2007-2014 period. ABAG is expected to adopt and release the final RHNA prior to June 2008. Table 7-4B below shows the draft RHNA by income level:

<b>Income Category</b>	<b>RHNA</b>
<b>Table 7-5B</b>	
<b>Draft ABAG Fair Share Allocation by Income Category for 2007-2014</b>	
<b>Income Category</b>	<b>RHNA</b>
Very Low	1,348
Low	887
Moderate	876
Above Moderate	1,269
Total	4,380
Source: Association of Bay Area Governments (ABAG)	

It is important to note that the Affordable Housing Funds can only be used to assist those whose incomes do not exceed moderate income (or up to 120% of median income computed by family size). Table 7-5C shows that at a minimum, based on the draft RNHA, the Agency must target 43% of the Affordable Housing Fund to produce housing affordable to very low-income households and 29% on housing affordable to low income households.

<b>Table 7-5C</b>		
<b>Expenditure Target for Affordable very Low and Low Income Housing Units</b>		
<b>(Based on Draft ABAG Fair Share Allocation for 2007-2014)</b>		
<b>Income Category</b>	<b>RHNA</b>	<b>Housing Fund Expenditure Target (Minimum Legal Requirement)</b>
Very Low	1,348	43%
Low	887	29%
Moderate	876	N/A
Subtotal	3,111	
Add Above Moderate	1,269	N/A
Total	4,380	
Source: Association of Bay Area Governments (ABAG), Regional Housing Needs Determination, City of Fremont, 2001.		

According to the Proposed Expenditure Plan for the next five-year period, the Agency plans to expend the majority of its funds on new construction of rental housing for very low and low-income households, especially for households with large families, people with special needs, and seniors. As shown in Table 7-3B, at least 58% of Affordable

Housing Funds will be spent on New Construction projects. According to the Affordable Housing Investment Strategy, at least 80% of the New Construction funds will be used for rental housing and 20% on homeownership units. Thus, the Agency will not only fulfill but expects to exceed its Housing Fund Targeting requirements for very low and low-income households during the Implementation Period covering the first half of the upcoming ten-year compliance period. A similar expenditure strategy will be used for the second half of the ten-year compliance period.

## 7.2. f Housing Fund Age –Restricted Housing Targeting

Recent law now requires redevelopment agencies to spend their Housing Fund over each 10-year compliance period of the housing production plan to assist housing available to persons regardless of age in at least the same proportion as the numbers of low-income households in the community with a member under age 65 bears to the total number of low-income households in the community. Housing available to person regardless of age means housing that is not restricted to seniors. Table 7-5D below shows household information for the City of Fremont:

<b>Table 7-5D</b> <b>Percentage of Low Income Households and Householder Under 65</b> <b>City of Fremont</b>			
	<b>No. Households</b>	<b>Percent of Total</b>	<b>Percent of Subtotal</b>
Total Households	68,303	100%	-
Households with Householder Under 65	59,738	87%	-
Low Income Households with Income Below \$60,000 (Note 1)	24,138	35%	100%
Low Income Households (Below \$60,000) with Householder Under 65 (Note 2)	18,228	27%	76%
<b>Source:</b> U.S. Census Bureau, 2000 Census; California Department of Housing and Community Development. <b>Notes:</b> 1. Low income households are defined by California Redevelopment Law (CRL) as 80% or below the area median income (AMI). In 2000, 80% of AMI was \$54,080. The census provides households by income levels below \$50,000 and below \$60,000. The latter was chosen as more inclusive and more conservative. 2. Per CRL Section 33334.4(b), agencies shall expend Housing Set-Aside funds on housing without age restrictions in at least the same proportion as the number of low income households with a member under age 65 years bears to the total number of low income households, as reported in the most recent census. Census data is not available for low income households by age of household members, only by age of householder.			

Table 7-5D indicates that for the upcoming ten-year compliance period of the housing production plan (July 1, 2008 through June 30, 2018) the Agency is required to spend at

least 76% of its Housing Fund on housing available to persons regardless of age. For the previous ten-year compliance period, which started July 1, 1998 and ends on June 30, 2008, the Agency expended 89% of its Housing Fund on housing available to persons regardless of age. The remainder 11% was spent on housing restricted to seniors.

For the next five years, the Agency intends to continue using its Five-Point Housing Program and Affordable Housing Investment Strategy as guidance for investing in future affordable housing projects. As in the past, the Proposed Expenditure Plan for the next five-year period shows that the Agency intends to expend the majority of its funds on new construction of rental housing for very low and low-income households, especially for households with large families, people with special needs, and seniors. The Agency expects that over the next 10-year compliance period it will fulfill its Housing Fund Targeting requirements for assisting senior and non-senior households.

## **7.2. g                    Schedule for Annual Agency Housing Fund Assistance for the Next Five Years**

The Agency plans to target its Housing Fund for very low and low-income households as specified by the California Redevelopment Law. However, the Agency will make every effort to encourage development of housing affordable to meet the needs of people at all income levels, and apply its resources in a manner that meets the ten year Housing Production requirement described in Section 7.3 below. By combining various funding sources and through collaborations with other partners dedicated to the development of affordable housing, the Agency is confident it will meet its Housing Production obligations in the next five years.

The Agency expects to take advantage of the opportunities as they are presented and to initiate actions as necessary to preserve and facilitate the development of affordable housing for households whose basic needs are not met by the private housing market. At this time, based on information and opportunities known to date, the Agency plans to achieve the following annual affordable housing goals.

### **FY 2008/09**

#### ***New Construction (In Pipeline):***

- **Peralta Boulevard Housing (Centerville Project Area):** Eden Housing proposes to build approximately 70 family or 90 senior affordable rental apartments at 3701 Peralta Boulevard, a 2.98-acre site located in the Centerville Redevelopment Project Area. In June 2007, Eden executed a purchase option to secure the site. Developing the parcel would require relocating several existing small businesses. The development would be mixed-use and include a senior services component if senior housing is built. In July 2007, the Redevelopment Agency Board approved a \$250,000 predevelopment loan for Peralta Boulevard Housing. Should the project proceed, Eden is expected to submit an acquisition



and development loan request to the Agency Board in FY 2008/09 seeking help to close a portion of the estimated \$11 million funding gap. Other than the \$250,000 predevelopment loan, the Agency has not formally committed future affordable housing funds to the proposed Eden project.

- **Main Street Village (Irvington Project Area):** Allied Housing intends to build 50-55 extremely-low, very low and low-income supportive housing units, as well as 6-8 commercial office spaces, on an approximately 1.6-acre site located at 3615 Main Street and High Street in the Irvington Redevelopment Project Area. In October 2007, Allied executed an option agreement to secure the site. In January 2008, the Redevelopment Agency Board approved a \$219,000 predevelopment loan for the project. If the project moves forward, Allied is expected to submit a future proposal to the Agency Board in FY 2008/09 requesting gap financing to assist with acquisition and/or construction cost. Allied has not identified the amount of future funds that may be requested; however, the developer estimates that a 50-55 unit supportive housing development would cost approximately \$23 million.
- **Crown Court (Centerville Project Area):** Glofrem Properties intends to build 27 condominiums at the corner of Fremont Boulevard and Central Avenue in Centerville. The market-rate development will be subject to the City's Inclusionary Housing Ordinance which requires that four units (15%) be reserved for moderate-income first-time homebuyer. To facilitate development of the townhomes, in 2001 the Agency acquired an approximately 10,000 SF parcel at Fremont Boulevard and Central Avenue. Approximately 6,000 SF of the property was used for the Central Avenue street widening project, now complete, leaving an approximately 4,000 SF remainder parcel in which the Agency intends to sell to Glofrem (adjacent property owner) to assemble the approximately 1-acre residential building site required for the project. Project approval is expected in summer 2008. The disposition of the Agency parcel will require the Agency Board and Glofrem Properties to enter into a Disposition and Development Agreement.

***First Time Homebuyer Program:*** Provide down payment assistance to at least 15 (but no more than 25) low and moderate-income households.

***Home Improvement Program:*** Provide housing rehabilitation loans to at least 6 very low, low and moderate-income households.

***Apartment Acquisition and/or Rehabilitation:***

- **New Project:** The Agency will pursue and invest in at least one apartment acquisition/rehabilitation project. According to the Agency's expenditure plan, the Agency has the ability to assist the acquisition and/or rehabilitation of 18 apartment units (at \$55,000 investment per unit) over

the next five-year period. The actual number of units to be assisted will depend on size of project and is yet to be determined.

***Preservation:*** Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable. To this end, the Agency will continue discussions with apartment owners to identify incentives and options to keep units affordable, and ensure impacted tenants and government agencies receive project updates. There are no affordable units at risk of converting to market rate during FY 2008/09.

## **FY 2009/10**

### ***New Construction:***

- **City of Fremont Former Corporation Yard (Centerville Project Area):** Fremont's former Corporation Yard, a 4.5-acre site located at 37350 Sequoia Road, has been identified as a site for potential housing development. In August 2004, Fremont's City Council directed staff to proceed with site cleanup, demolition and other work necessary to prepare the site for sale. The site has been cleared of hazardous material and contamination and buildings have been demolished with the exception of old concrete foundations, sidewalks, and asphalt paving. The cleanup and demolition work is in the process of being closed out by the Fremont Fire and Alameda County Water District. There have been preliminary discussions with members of the community about the site and the possibility of the Agency acquiring the property at fair market value from the City for affordable housing development. To date, the City Council has not taken action regarding the sale of the former Corporation Yard.

***First Time Homebuyer Program:*** Provide down payment assistance to at least 15 (but no more than 20) low and moderate-income households.

***Home Improvement Program:*** Provide housing rehabilitation loans to at least 6 very low, low and moderate-income households.

### ***Apartment Acquisition and/or Rehabilitation:***

- **New Project:** The Agency will pursue and invest in at least one apartment acquisition/rehabilitation project. According to the Agency's expenditure plan, the Agency has the ability to assist the acquisition and/or rehabilitation of 18 apartment units (at \$55,000 investment per unit) over the next five-year period. The actual number of units to be assisted will depend on size of project and is yet to be determined.

***Preservation:*** Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable.

***Projects:*** Continue discussions with apartment owners to identify incentives and options to keep units affordable, and ensure impacted tenants and government agencies receive project updates. Below is a list of developments with affordability restrictions expiring in FY 09/10:

**Rancho Luna:** 26 very low income units for seniors. Affordability restrictions expire, March 2010.

**Rancho Sol:** 12 very low income units for seniors. Affordability restrictions expire, March 2010.

## **FY 2010/11**

### ***New Construction:***

- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program:*** Provide down payment assistance to at least 15 (but no more than 20) low and moderate-income households.

***Home Improvement Program:*** Provide housing rehabilitation loans to at least 6 very low, low and moderate-income households.

### ***Apartment Acquisition and/or Rehabilitation:***

- **New Project:** See annual production goal for Apartment Acquisition and/or Rehabilitation for FY 2009/10.

***Preservation:*** Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable.

***Projects:*** Continue discussions with apartment owners to identify incentives and options to keep units affordable, and ensure impacted tenants and government agencies receive project updates. The following projects have affordability restrictions expiring in FY 2010/11:

***Durham Greens:*** 64 low income units for families and seniors. Affordability restriction will expire September 2010. Agency will begin initiating discussions with owners in 2008.

## **FY 2011/12**

### ***New Construction:***

- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program:*** Provide down payment assistance to at least 15 (but no more than 20) low and moderate-income households.

***Home Improvement Program:*** Provide housing rehabilitation loans to at least 5 very low, low and moderate-income households.

### ***Apartment Acquisition and/or Rehabilitation:***

- **New Project:** See annual production goal for Apartment Acquisition and/or Rehabilitation for FY 2009/10.

***Preservation:*** Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable.

***Projects:*** Continue discussions with apartment owners to identify incentives and options to keep units affordable, and ensure impacted tenants and government agencies receive project updates. The following projects have affordability restrictions expiring in FY 1011/12:

***Boulevard (previously Treetops):*** 35 low income units for families and seniors. Affordability restrictions expire August 2011. Agency staff will initiate discussions with apartment owners to preserve and/or extend the affordability period.

## **FY 2012/13**

### ***New Construction:***

- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program:*** Provide down payment assistance to at least 15 (but no more than 20) low and moderate-income households.

***Home Improvement Program:*** Provide housing rehabilitation loans to at least 5 very low, low and moderate-income households.

### ***Apartment Acquisition and/or Rehabilitation:***

- **New Project:** See annual production goal for Apartment Acquisition and/or Rehabilitation for FY 2009/10.

***Preservation:*** Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable.

***Projects:*** Continue discussions with apartment owners to identify incentives and options to keep units affordable, and ensure impacted tenants and government agencies receive project updates. The Agency is not anticipating any affordable units being at risk of converting to market rate in FY 2012/13.

### **7.3 Project Area Housing Production (Inclusionary Housing) Obligation**

Each agency, as part of its five-year implementation plan, must demonstrate how the agency will comply with inclusionary and housing production requirements and ensure they will be met every ten (10) years. The inclusionary and housing production obligations require that:

- a. For housing developed or substantially rehabilitated directly by a Redevelopment Agency, 15% must be affordable to very low-income households and 15% must be affordable to low or moderate income households. (This requirement applies only to units directly developed by the Agency and does not apply when the Agency enters into agreements with developers to produce affordable units);
- b. For housing developed or substantially rehabilitated in the Project Area produced by public (other than the Agency) or private entities (developers), 6% must be affordable to very low-income households, and 9% must be affordable to households with low or moderate-income households (see *Exhibit VI-1A* for most recent income limits). This requirement is not required to be imposed on each individual project, but rather, must be met in the aggregate during each ten-year compliance period.
- c. For any affordable units developed outside of the project area(s), an agency may receive 50% credit for each unit developed; that is, for every two (2) units of affordable housing developed outside of the project area(s), the agency can count one (1) unit towards meeting its production obligation;
- d. Substantially rehabilitated units may count towards meeting the housing production requirement. The law defines substantially rehabilitated as rehabilitation, the value of which constitutes 25% of the after-rehabilitation value of the dwelling unit, including the value of the land; and
- e. Agencies may satisfy the inclusionary requirement by acquiring long-term affordability covenants on multi-family units that restrict the cost of renting or purchasing the units. This method cannot be used to satisfy more than 50% of the

units required to be affordable and not less than 50% must be affordable to very low-income households.

The law also requires that an agency discuss how it intends to meet its Housing Production Requirement (the “Housing Production Plan”) for the following time periods:

1. historical production (since the formation of the Redevelopment Project Area);
2. production over a ten year compliance period (The Agency’s upcoming housing production compliance period runs from July 1, 2008 to June 30, 2018); and
3. production over the life of the Plan.

### **7.3. a Historical Production**

For historical production purposes, Fremont’s redevelopment efforts began in 1977 and extended through June 2008, the end date of the previous Implementation Plan. Housing production data is presented in the following time periods to capture cumulative, historical housing production from 1977 through June 2008:

- Initial Compliance Period from 1977 (inception) through June 1998 (pre-merger);
- Prior 10-year Compliance Period from July 1998 through June 2008 (post-merger)
- Cumulatively from 1977 through June 2008.

Initial Compliance Period. The Initial Compliance Period ran from the adoption of the initial redevelopment plans (Irvington and Niles) in July 1977 through June 1998, when the City merged the four formerly separate project areas of Centerville, Irvington, Niles and Industrial to form the Fremont Merged Project Area and adopted a new implementation plan to consolidate all of its prior implementation plans into a unified implementation plan with a common affordable housing compliance period, in order to simplify and facilitate comprehensive affordable housing planning for the Merged Project Area. During the Initial Compliance Period, the project area affordable housing production obligation applied independently to each of the four formerly separate project areas, since those areas had not yet been merged.

Qualifying affordable units produced outside any of the four formerly separate project areas are counted toward the affordable housing production requirement in any of the four former project areas on the basis of two units produced outside any of the four areas equals one unit produced inside the project areas. For conservative estimating purposes, only units produced outside the four former project areas in or after 1994 (when Health and Safety Code Section 33413(b)(2)(A)(ii) was added to the Redevelopment Law to allow the application of "outside

the project area" units to meet the project area affordable housing production obligation) are counted in the analysis below.

For the Initial Compliance Period, which extends from the Agency's inception in 1977 through June 30, 1998, the Agency's performance results for its project area affordable housing production obligation, with respect to each of the four former project areas, are presented in Table 3-1A:

<b>Table 3-1A</b> <b>Summary of Performance</b> <b>Initial Compliance Period</b> <b>July 1977 – June 1998</b>		
<b>Project Area</b>	<b>Surplus of Affordable Units Produced Against Requirement</b>	
	<b>Very Low Income Units</b>	<b>Moderate Income Units</b>
Niles	0 <sup>1</sup>	53
Irvington	97	32
Centerville	0 <sup>2</sup>	0 <sup>3</sup>
Industrial	0	0
Outside <sup>4</sup>	52 <sup>5</sup>	19 <sup>6</sup>
Notes:		
1. Original deficit of 5 very low income units is eliminated by applying units produced outside project areas (See detail at Table 3-1B).		
2. Original deficit of 5 very low income units is eliminated by applying units produced outside project areas (See detail at Table 3-1B).		
3. Original deficit of 6 moderate income units is eliminated by applying units produced outside project areas (See Detail at Table 3-1B).		
4. Surplus reported is based on 2 units produced outside project areas equals 1 unit produced inside a project area, so that the reported surplus represents only half of units actually produced outside project areas. Only post-1993 units are counted. If pre-1994 units are also counted, the surplus would be greater, as noted in footnotes 5 and 6 below.		
5. Net remaining surplus after applying units to eliminate deficits in Niles and Centerville (see footnotes 1 and 2 above). If pre-1994 units were counted, surplus would increase to 100 very low income units. 52 units determined as follows: 110 units produced outside project areas, less 5 units for Niles deficit, less 5 units for Centerville deficit, less 48 "pre-1994 units". See Table 3-1B and 3-1C for detailed housing unit information.		
6. Net remaining surplus after applying units to eliminate deficit in Centerville (see footnote 3 above). If pre-1994 units were counted, surplus would increase to 185 moderate income units. 19 units determined as follows: 191 units produced outside project area, less 6 units for Centerville deficit, less 166 "pre-1994 units". See Table 3-1A and 3-1B for detailed housing unit information.		

Table 3-1B below summarizes Initial Compliance Period historical production in each Project Area, and shows the Agency's housing production obligation. Table 3-1C lists the affordable housing developments with restricted units that were counted towards meeting the Agency's housing production obligations for the Initial Compliance Period.

<b>Table 3-1B</b> <b>Historical Housing Production Obligation</b> <b>For Fremont Redevelopment Project Areas</b> <b>Initial Compliance Period</b> <b>(Prior to FY 98/99)</b>						
	Niles	Irvington	Industrial	Centerville	Outside Project Area	Total
<b>1. Total Historical Housing Production</b>						
New Units	74	930	0	71	N/A	1075
Substantially Rehabilitated Units	0	0	0	0	N/A	0
Subtotal	74	930	0	71	N/A	1075
<b>2. CRL Affordable Housing Production Requirement</b>						
Very-Low Income (6% of Total)	5	56	0	5	N/A	66
Low or Moderate Income (9% of Total)	7	84	0	6	N/A	97
Subtotal	12	140	0	11	N/A	163
<b>3. Units Produced that Meet CRL Affordable Housing Production Requirements</b>						
Very-Low Income	0	153	0	0	110	263
Low or Moderate Income	60	116	0	0	191	367
Subtotal <sup>1 to 4</sup>	60	269	0	0	301	630
<b>4. Total Surplus (Units Produced in Excess of CRL Requirement)</b>						
Very-Low Income	(5)	97	0	(5)	110	197
Low or Moderate Income	53	32	0	(6)	191	270
Subtotal	48	129	0	(11)	301	467
Source: 2003 Implementation Plan and City of Fremont Redevelopment Agency. (Updated: April 2008)						



**Table 3-1C**  
**Housing Units Produced that Meet CRL Housing Production Requirements**  
**Initial Compliance Period**  
**(Prior to FY 98/99)**

<b>Project</b>	<b>Year Built</b>	<b>Project Area</b>	<b>Total Units in Project</b>	<b>Very Low</b>	<b>Low</b>	<b>Mod</b>	<b>Total Units that Meet Housing Production Requirement</b>
Ingersoll Terrace	1986	Irvington	19	0	0	19	19
Redwood Lodge	1986	Irvington	24	24	0	0	24
Sequoia Manor	1986	Irvington	80	80	0	0	80
Woodcreek	1986	Irvington	96	0	60	0	60
Baywood	1991	Irvington	82	40	26	0	66
Pacific Grove	1997	Irvington	20	9	11	0	20
<b>Irvington Total</b>			<b>321</b>	<b>153</b>	<b>97</b>	<b>19</b>	<b>269</b>
Niles Junction	1982	Niles	52	0	0	52	52
Essanay Place Townhomes	1983	Niles	80	0	0	8	8
<b>Niles Total</b>			<b>132</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>60</b>
Century Village (100)	1995	<b>Outside</b>	49	19	5	0	<b>24</b>
Treetops (176)	1996	<b>Outside</b>	35	17	0	0	<b>17</b>
Pickering Place (42)	1997	<b>Outside</b>	42	1	9	11	<b>21</b>
Park Vista (60)	1998	<b>Outside</b>	50	25	0	0	<b>25</b>
<b>Subtotal Outside -Post 1994 Units</b>			<b>176</b>	<b>62</b>	<b>14</b>	<b>11</b>	<b>87</b>
Amber Court (168)	1985	<b>Outside</b>	34	9	8	0	<b>17</b>
Crossroads Village (300)	1985	<b>Outside</b>	60	0	30	0	<b>30</b>
Durham Greens (316)	1985	<b>Outside</b>	64	16	16	0	<b>32</b>
Park Sequoia (248)	1985	<b>Outside</b>	50	0	25	0	<b>25</b>
Mission Wells (390)	1986	<b>Outside</b>	45	0	22	0	<b>22</b>
Parkside Place (16)	1986	<b>Outside</b>	16	0	8	0	<b>8</b>
Creekside Village (480)	1987	<b>Outside</b>	96	0	48	0	<b>48</b>
Heritage Village (192)	1987	<b>Outside</b>	39	10	9	0	<b>19</b>
Regency Square (132)	1987	<b>Outside</b>	27	13	0	0	<b>13</b>
<b>Subtotal Outside -Pre 1994 Units</b>			<b>431</b>	<b>48</b>	<b>166</b>	<b>0</b>	<b>214</b>
<b>Outside Total</b>			<b>607</b>	<b>110</b>	<b>180</b>	<b>11</b>	<b>301</b>
<b>Grand Total</b>			<b>1,060</b>	<b>263</b>	<b>277</b>	<b>90</b>	<b>630</b>

**Note: Only 50% of affordable units are reflected in this table for projects located outside the Redevelopment Project Areas.**

Prior 10-year Compliance Period. The prior 10-year Compliance Period runs from the end of the Initial Compliance Period and merger of the four formerly separate project areas in July 1998 to June 2008 (Second Compliance Period), the end date of the previous Implementation Plan and the start of the current Implementation Plan. During the Second Compliance Period, the project area affordable housing production obligation applied in the aggregate to the four formerly separate project areas that together comprise the Merged Project Area. Even if the four formerly separate project areas were still treated as independent project areas following such merger, each such area would still independently meet or exceed the affordable housing production obligation for this period, as shown in the summary table provided in Table 3-1D.

Qualifying affordable units produced outside the Merged Project Area are counted toward the affordable housing production requirement on the basis of two units produced outside the Merged Project Area equals one unit produced inside the Merged Project Area. For the Second Compliance Period, the Agency's performance results for its project area affordable housing production obligation are estimated to be as follows with respect to the Merged Project Area as a whole and each of its constituent sub-areas:

<b>Table 3-1D</b> <b>Summary of Performance</b> <b>Second Compliance Period</b> <b>July 1998 through June 2008</b>		
Area	Surplus of Affordable Units Produced Against Requirement	
	Very Low Income Units	Moderate Income Units
Niles	0	0
Irvington	38 <sup>1</sup>	36 <sup>2</sup>
Centerville	47 <sup>3</sup>	47 <sup>4</sup>
Industrial	0	0
Outside <sup>5</sup>	49 <sup>6</sup>	39 <sup>7</sup>
Merged Project Area Total	134	122
Notes:		
1. Surplus of 38 units determined by combining Irvington very-low income deficit of 4 units (Table 3-1E) and surplus of 42 units (Table 3-1G).		

2. Surplus of 36 units determined by combining Irvington moderate income surplus of 14 units (Table 3-1E) and surplus of 22 units (Table 3-1G).
3. Surplus of 47 units determined by combining Centerville very-low income deficit of 4 units (Table 3-1E) and surplus of 51 units (Table 3-1G).
4. Surplus of 47 units determined by combining Centerville moderate income deficit of 6 units (Table 3-1E) and surplus of 53 units (Table 3-1G).
5. Surplus reported is based on 2 units produced outside Merged Project Area equals 1 unit produced inside the Merged Project Area, so that reported surplus represents only half of units actually produced outside the Merged Project Area.
6. Surplus of 49 units determined by combining Outside Project Area very-low income surplus of 35 units (Table 3-1E) and surplus of 14 units (Table 3-1G).
7. Surplus of 39 units determined by combining Outside Project Area moderate income surplus of 17 units (Table 3-1E) and surplus of 22 units (Table 3-1G).

Housing production detail for the Second Compliance Period is captured in Tables 3-1E, 3-1F, 3-1G and 3-1H below. The Tables present the data in two, five-year increments. Tables 3-1E and 3-1F cover July 1, 1998 through June 30, 2003. For this period, Table 3-1E reports housing production obligation and Table 3-1F reports housing units produced. Tables 3-1G and 3-1H covers July 1, 2003 through June 30, 2008. For this period, Table 3-1G reports housing production obligation and Table 3-1H reports housing units produced.

**Table 3-1E**  
**Historical Housing Production Obligation**  
**First Half of Second Compliance Period**  
**July 1, 1998 through June 30, 2003**

	<b>Niles</b>	<b>Irvington</b>	<b>Industrial</b>	<b>Centerville</b>	<b>Outside Project Area</b>	<b>Total</b>
<b>1. Housing Production (July 1, 1998 – June 30, 2003):</b>						
New Units	0	49	0	64	N/A	113
Substantially Rehabilitated	0	8	0	0	N/A	8
Total	0	57	0	64	N/A	121
<b>2. CRA Affordable Housing Production Requirement:</b>						
Very-Low Income (6% of Total)	0	4	0	4	N/A	8
Low and Moderate Income (9% of Total)	0	5	0	6	N/A	11
Total	0	9	0	10	N/A	19
<b>3. Units Produced that Meet CRL Affordable Housing Production Requirements:</b>						
Very-Low Income	0	0	0	0	35	35
Low and Moderate Income	0	19	0	0	17	36
Total	0	19	0	0	52	71
<b>4. Total Surplus (Deficit) of Units Produced per CRL Production Requirements:</b>						
Very-Low Income	0	(4)	0	(4)	35	<b>27</b>
Low and Moderate Income	0	14	0	(6)	17	<b>25</b>
Total	0	10	0	(10)	52	<b>52</b>
<b>Note: Housing units built during this period were taken from the Implementation Plan adopted on June 10, 2003.</b>						

**Table 3-1F**  
**Housing Units Produced that Meet CRL Housing Production Requirements**  
**First Half of Second Compliance Period**  
**July 1, 1998 through June 30, 2003**

	<b>Project Area</b>	<b>Total Units in Project</b>	<b>Very Low</b>	<b>Low</b>	<b>Mod</b>	<b>Total Units that Meet Housing Production Requirement</b>
None	Centerville	0.0	0.0	0.0	0.0	0.0
Greenwich Townhomes (Trafalgar)	Irvington	2.0	0.0	0.0	2.0	2.0
Adams Avenue Homes (2002)	Irvington	17.0	0.0	7.0	10.0	17.0
<b>Subtotal-Irvington</b>		<b>19.0</b>	<b>0.0</b>	<b>7.0</b>	<b>12.0</b>	<b>19.0</b>
None	Niles	0.0	0.0	0.0	0.0	0.0
Oroysom Village & Avelina (1999)	Outside	101.0	35.0	15.0	0.0	50.0*
Carol Commons (41479 & 41469 Millennium Terrace)	Outside	2.0	0.0	0.0	1.0	1.0*
Carol Commons (41433 Millennium Terrace)	Outside	1.0	0.0	0.0	0.5	0.5*
<b>Subtotal-Outside</b>		<b>104.0</b>	<b>35.0</b>	<b>15.0</b>	<b>1.5</b>	<b>51.5</b>
<b>Total</b>		<b>123.0</b>	<b>35.0</b>	<b>22.0</b>	<b>13.5</b>	<b>70.5</b>
<b>*Reflects 50% credit since units built outside Redevelopment Project Areas.</b>						

**Table 3-1G**  
**Historical Housing Production Obligation**  
**Second Half of Second Compliance Period**  
**July 1, 2003 through June 30, 2008**

	<b>Niles</b>	<b>Irvington</b>	<b>Industrial</b>	<b>Centerville</b>	<b>Outside Project Area</b>	<b>Total</b>
<b>1. Housing production for reporting period:</b>						
New Units	0	428	0	222	N/A	650
Substantially Rehabilitated Units	0	0	0	0	N/A	0
<b>Total</b>	<b>0</b>	<b>428</b>	<b>0</b>	<b>222</b>	<b>N/A</b>	<b>650</b>
<b>2. CRA Affordable Housing Production Requirement:</b>						
Very-Low Income (6% of Total)	0	26	0	14	N/A	40
Low and Moderate Income (9% of Total)	0	39	0	20	N/A	59
<b>Total</b>	<b>0</b>	<b>65</b>	<b>0</b>	<b>34</b>	<b>N/A</b>	<b>99</b>
<b>3. Units Produced that Meet CRL Affordable Housing Production Requirements:</b>						
Very-Low Income	0	68	0	65	14	147
Low and Moderate Income	0	61	0	73	22	156
<b>Total</b>	<b>0</b>	<b>129</b>	<b>0</b>	<b>138</b>	<b>36</b>	<b>303</b>
<b>4. Total Surplus (Units Produced in Excess of CRL Requirements):</b>						
Very-Low Income	0	42	0	51	14	<b>107</b>
Low and Moderate Income	0	22	0	53	22	<b>97</b>
<b>Total</b>	<b>0</b>	<b>64</b>	<b>0</b>	<b>104</b>	<b>36</b>	<b>204</b>

**Table 3-1H**  
**Housing Units Produced that Meet CRL Housing Production Requirements**  
**Second Half of Second Compliance Period**  
**July 1, 2003 through June 30, 2008**

	<b>Project Area</b>	<b>Total Units in Project</b>	<b>Very Low</b>	<b>Low</b>	<b>Mod</b>	<b>Total Units that Meet Housing Production Requirement</b>
Sequoia Crossing	Centerville	6.0	0.0	0.0	6.0	6.0
Maple Square (2007)	Centerville	132.0	65.0	0.0	67.0	132.0
Subtotal-Centerville (2007)		138.0	65.0	0.0	73.0	138.0
Greenwich Townhomes (Trafalgar)	Irvington	1.0	0.0	0.0	1.0	1.0
Rotary Bridgeway Apartments (2005)	Irvington	18.0	8.0	0.0	10.0	18.0
Lincoln Oaks (Lincoln St) Apts (2006)	Irvington	11.0	11.0	0.0	0.0	11.0
Irvington Terrace		100.0	49.0	0.0	50.0	99.0
Subtotal-Irvington		130.0	68.0	0.0	61.0	129.0
Fremont Oak Gardens (2005)	Outside	50.0	12.0	0.0	13.0	25.0*
Fremont Vista Assisted Living (2004)	Outside	20.0	2.0	8.0	0.0	10.0*
49013 Meadowfaire Cmn #43 (FTHB; Mayfield)	Outside	1.0	0.0	0.0	0.5	0.5*
Subtotal-Outside Project Areas		71.0	14.0	8.0	13.5	35.5
<b>Total</b>		<b>339.0</b>	<b>147.0</b>	<b>8.0</b>	<b>147.5</b>	<b>302.5</b>
*Reflects 50% credit since units built outside Redevelopment Project Areas.						

Summary of Historical Production. For the cumulative period from 1977 through June 2008, the Agency satisfied or exceeded its Redevelopment Law project area affordable housing production obligation for the Merged Project Area as a whole and individually for each of the four constituent project areas, as follows:

The Agency has produced a surplus of very low income affordable housing units above the statutorily required number of units as summarized below:

- 97 very low income units that may be applied to any future production requirement arising from the Irvington portion of the Merged Project Area only. These units were produced in Irvington prior to the merger and so are deemed a surplus only to be applied toward a future obligation arising from the Irvington portion of the Merged Project Area. See Table 3-1B for details; and
- 186 very low income units that may be applied to any future production requirement arising anywhere in the Merged Project Area. This surplus consists of 52 surplus units produced outside any of the former project areas prior to the merger (See Table 3-1A for details) and 134 surplus units produced within and outside the Merged Project Area following the merger (See Table 3-1D for details).

The Agency has produced a surplus of moderate income affordable housing units above the statutorily required number of units as summarized below:

- 53 moderate income units that may be applied to any future production requirement arising from the Niles portion of the Merged Project Area only. These units were produced in Niles prior to the merger and so are deemed a surplus only to be applied toward a future obligation arising from the Niles portion of the Merged Project Area. See Table 3-1B for detail; and
- 32 moderate income units that may be applied to any future production requirement arising from the Irvington portion of the Merged Project Area only. These units were produced in Irvington prior to the merger and so are deemed a surplus only to be applied toward a future obligation arising from the Irvington portion of the Merged Project Area. See Table 3-1B for details; and
- 141 moderate income units that may be applied to any future production requirement arising anywhere in the Merged Project Area This surplus consists of 19 surplus units produced outside any of the former project areas prior to the merger (See Table 3-1A for details) and 122 surplus units produced within and outside the Merged Project Area following the merger (See Table 3-1D for details).

### **7.3. b            Ten Year Production Plan (FY 2008-2018)**

Redevelopment agencies are required to develop and adopt an affordable housing production plan every ten years (AB 315 Plan). The housing production plan must explain how the Agency will meet its housing production requirement for the following time periods: (a) production over the first five years of the ten-year compliance period; (b) production over the ten-year compliance period; and (c) production through the life of the redevelopment plan. This Implementation Plan initiates a new ten-year Merged Project Area affordable housing production requirement compliance period, covering the period from July 1, 2008 through June 30, 2018 (Current Compliance Period). Section 7.3.c below addresses Agency compliance with the Merged Project Area affordable



housing production requirement for the first five years of the Current Compliance Period. Section 7.3.d addresses Agency compliance with the Merged Project Area affordable housing production requirement during the last five years of the Current Compliance Period.

The following tables set forth in Section 7.3.c and 7.3.d provide preliminary estimates of new residential developments that might occur in the Merged Project Area during the Current Compliance Period. Development on some of the listed sites may require discretionary land use approvals by the City and other regulatory agencies. The estimates set forth in the following tables in no way reflect whether such discretionary approvals will be granted, but are simply provided to give a general sense of the Agency's potential Merged Project Area affordable housing obligation during the Current Compliance Period.

### **7.3. c                    Housing Production Compliance for the Next Five Years, FY 2008-13**

The Agency has developed estimates of the number of units likely to be built or substantially rehabilitated in the next five year period based on two factors: (a) historical production in the redevelopment project areas in the previous five years; and (b) number of new construction and substantially rehabilitated units anticipated to be developed by private developers and through Agency-assisted projects. Based on real estate market activity to date and the state of the real estate market as of this report date, the Agency does not anticipate a substantial increase in the residential growth rate and assumes that residential development in Fremont will remain "flat" or maybe even decrease substantially over the next five years. Table 3-2A reports the Agency's housing production obligation units and units expected to be produced that meet CRL production requirements over the next five years. Table 3-2B summarizes future housing expected to be constructed in the Merged Project Area over the next five-year period beginning July 1, 2008 to June 30, 2013. Current estimates show that the Agency will meet its housing production obligation and will have a surplus of 144 units (79 very low, 65 low and moderate-income units) as seen in Table 3-2A. Table 3-2B lists housing units (both privately developed and Agency-assisted) projected to be built in the Merged Project Area over the next five years.

**TABLE 3-2A**  
**Projected Housing Production Obligation**  
**First Half of Current Compliance Period**  
**From July 1, 2008 through June 30, 2013**

	Niles	Irvington	Industrial	Centerville	Outside Project Area	Total
1. Housing Production Obligation:						
New Units	15	444	0	324	N/A	783
Substantially Rehabilitated Units	0	0	0	0	N/A	0
Subtotal	15	444	0	324	N/A	783
2. CRL Affordable Housing Production Requirement:						
Very-Low Income (6% of Total)	1	27	0	19	N/A	47
Low & Moderate Income (9% of Total)	1	40	0	30	N/A	71
Subtotal	2	67	0	49	N/A	118
3. Units Anticipated to Meet CRL Affordable Housing Production Requirements:						
Very-Low Income	0	26 <sup>1</sup>	0	100 <sup>2,3</sup>	0	126
Low & Moderate Income	0	29 <sup>1</sup>	0	107 <sup>2,3</sup>	0	136
Subtotal	0	55	0	207	0	262
4. Total Surplus (Units Produced in Excess of CRL Requirement):						
Very-Low Income						79
Low & Moderate Income						65
Subtotal						144
Notes:						
1. Allied Housing anticipates constructing Main Street Village, a 55-unit supportive housing development to be located in Irvington. If built, the Agency anticipates regulating 26 units (49%) for very-low income households and 29 units (51%) for moderate income households (Also see Table 2-3B).						
2. Eden Housing anticipates building 93 affordable housing units on a 2.98-acre site located in Centerville. If constructed, the Agency anticipates regulating 45 units (49%) for very-low income households and 48 units (51%) for moderate income households (Also See Table 2-						

3B).

3. The City has identified its former Corporation Yard in the Centerville Area as a potential site for affordable housing development. It is anticipated that 114 affordable housing units could be built on the City-owned site. If the project moves forward, the Agency anticipates regulating 55 units (49%) for very-low income households and 59 units (51%) for moderate income households (Also See Table 2-3B).

**TABLE 3-2B**  
**Projected New Construction of Housing in Merged Project Area**  
**From July 1, 2008 through June 30, 2013**

<b>Development</b>	<b>How Developed</b>	<b>FY</b>	<b># Housing Units</b>
<b>Centerville:</b>			
Centerville Grove Townhomes	Private	2009	14
Crown Court	Private	2009	27
Peppertree Court	Private	2009	17
Morgan Square	Private	2009	48
Eden-Peralta Blvd Housing	Agency-assisted	2011	93
Peralta Townhouses	Private	2011	11
Former City Corporation Yard	Agency-assisted	2012	114
Subtotal-Centerville	Private		324
<b>Irvington:</b>			
High Town Square	Private	2009	13
Irvington Commons (Atria townhomes)	Private	2009	15
Park Lane West (Irvington Village)	Private	2009	168
Union Street Townhouses	Private	2010	12
Main Street Village (Allied Housing)	Agency-assisted	2011	55
West Coast Ventures	Private	2012	181
Subtotal-Irvington			444
<b>Niles:</b>			
Niles Townhouses	Private	2009	15
<b>Total-Project Areas</b>			<b>783</b>
Source: City of Fremont Planning Department			
Note: Developments referenced as "Private" are market-rate developments planned to be			

developed by private firms. “Agency-assisted” developments (Eden-Housing Peralta Blvd, Former City Corporation Yard and Main Street Village) are affordable housing developments expected to be built by nonprofit housing developers with financial assistance from the Redevelopment Agency and other affordable housing funding sources. Agency-assisted units are counted toward meeting the Agency’s affordable housing production requirement as reported in Table 3-2A

### **7.3. d                      Summary of Housing Production Compliance During Current Ten-Year Compliance Period**

For the remaining five years of the Current Compliance Period (from July 1, 2013 through June 30, 2018), the Agency’s goal is to aggressively pursue new construction developments inside and outside the Merged Project Area. Table 3-2C shows the Agency will exceed its housing production obligation by 128 units for the period beginning July 1, 2008 through June 30, 2018. The successful Redevelopment Plan Amendment, if adopted in early 2009, will provide the funding resources that the Agency will need to support these projects. In keeping with the Affordable Housing Investment Strategy (adopted by the Redevelopment Agency on June 25, 2002), the Agency will focus the majority of its resources on new construction projects that will provide rental units for very low and low-income households, especially large families, people with special needs, and seniors. However, the Affordable Housing Funds will also be available to assist moderate-income households, particularly through programs such as the First-Time Homebuyers Program and the Home Improvement Program (single-family, rehabilitation loan program). The Agency will also depend on the private market to develop new housing units for people with higher incomes.

The Redevelopment Agency intends to meet its housing production obligations by continuing to invest Affordable Housing Funds in the Five-Point Housing Program. In addition, the recently adopted Inclusionary Housing Ordinance (which became law in 2002) will assist in meeting the Agency’s inclusionary obligation. The Inclusionary Housing Ordinance requires all new residential developments throughout the City to set aside at least 15% of the total units for very low, low and moderate-income households.

The Oakland Athletics have submitted a planning application for a new development that would amend the current industrial use designation for parcels in the Industrial Area portion of the Merged Project Area to allow development of a “Ballpark Village” project that could include up to 3,150 residential units. An environmental impact report will be prepared for the proposed Ballpark Village project and the City Council will be requested to consider approving the land use amendment to permit development of the Ballpark Village. As this Implementation Plan is being prepared, it cannot be known whether the City Council, in its policy discretion, will approve the Ballpark Village development application (or if approval is granted, what the final residential unit count for the Ballpark Village project might be). For project area affordable housing production requirement

analysis purpose, this table and the accompanying analysis assume the most extreme case: that the City Council would approve the currently proposed Ballpark Village project and that the maximum number of proposed residential units would be built. This assumption allows the Agency to consider the maximum potential affordable housing production requirement that might be faced by the Agency during the Current Compliance Period. This analytical approach in no way represents any potential decision by the City Council with respect to approval or disapproval of the pending Ballpark Village development application.

<b>TABLE 3-2C</b> <b>Projected Housing Production Obligation</b> <b>Second Half of Current Compliance Period</b> <b>From July 1, 2013 through June 30, 2018</b>						
	Niles	Irvington	Industrial	Centerville	Outside Project Area	Total
1. Housing Production Obligation:						
New Units	120	27	3,150 <sup>1</sup>	0	N/A	3,297
Substantially Rehabilitated Units	0	0	0	0	N/A	0
Subtotal	120	27	3,150	0	N/A	3,297
2. CRL Affordable Housing Production Requirement:						
Very-Low Income (6% of Total)	7	2	189	0	N/A	198
Low & Moderate Income (9% of Total)	11	2	284	0	N/A	297
Subtotal	18	4	473	0	N/A	495
3. Units Anticipated to Meet CRL Affordable Housing Production Requirements:						
Very-Low Income	25	25	189	25	N/A	264
Low & Moderate Income	25	25	284	25	N/A	359
Subtotal	50	50	473	50	N/A	623
4. Total Surplus (Units Produced in Excess of CRL Requirement):						

Very-Low Income						66
Low & Moderate Income						62
Subtotal						128
<p>Note 1: The Oakland Athletics have submitted a planning application for a new development that would amend the current industrial use designation for parcels in the Industrial Area portion of the Merged Project Area to allow develop of a “Ballpark Village” project that could include up to 3,150 residential units. An environmental impact report will be prepared for the proposed Ballpark Village project and the City Council will be requested to consider approving the land use amendment to permit development of the Ballpark Village. As this Implementation Plan is being prepared, it cannot be known whether the City Council, in its policy discretion, will approve the Ballpark Village development application (or if approval is granted, what the final residential unit count for the Ballpark Village project might be). For project area affordable housing production requirement analysis purpose, this table and the accompanying analysis assume the most extreme case: that the City Council would approve the currently proposed Ballpark Village project and that the maximum number of proposed residential units would be built. This assumption allows the Agency to consider the maximum potential affordable housing production requirement that might be faced by the Agency during the Current Compliance Period. This analytical approach in no way represents any potential decision by the City Council with respect to approval or disapproval of the pending Ballpark Village development application.</p>						

**TABLE 3-2D**  
**Projected New Construction of Housing in Merged Project Area**  
**Second Half of Current Compliance Period**  
**From July 1, 2013 through June 30, 2018**

Development	How Developed	Project Area	# Housing Units
A's Baseball Village <sup>1</sup>	Private	Industrial	3,150
<b>Irvington:</b>			
Main Street Mixed Use	Private	Irvington	15
Osgood Townhouses	Private	Irvington	12
Subtotal-Irvington	Private		27
Henkel Site	Private	Niles	120
<b>Total-Project Areas</b>			<b>3,297</b>
<sup>1</sup> : See Footnote 1 from previous table.			

### **7.3. e                      Production Over Life of Redevelopment Plans**

As part of its Housing Production Plan, the Agency must also report on how it intends to meet its Housing Production Requirement through the life of the redevelopment plan for the Merged Project Area. The following are general assumptions on what the Agency expects will be built or substantially rehabilitated in the Project Areas through the life of the plan:

#### **Niles (2014 to End of Project Life Production – FY 2013/14 to FY 2029/30)**

The Agency projects that infill housing will be built on underutilized properties and vacant lots in the Project Area through the end of the Project, none by the Agency itself. The Agency will ensure that at least 15% of those units will be available to very low, low and moderate-income households as required by the CRL.

#### **Irvington (2014 to End of Project Life Production – FY 2013/14 to FY 2029/30)**

The Agency projects that infill housing will be built on underutilized properties and vacant lots in the Project Area through the end of the Project, none by the Agency itself. The Agency will ensure that at least 15% of those units will be available to very low, low and moderate-income households as required by the CRL.

#### **Centerville (2014 to End of Project Life Production – FY 2013/14 to FY 2028/29)**

The Agency projects that infill housing will be built on underutilized properties and vacant lots in the Project Area through the end of the Project, none by the Agency itself. The Agency will ensure that at least 15% of those units will be available to very low, low and moderate-income households as required by the CRL.

#### **Industrial**

No units have been produced in the Industrial Project Area since the establishment of the Redevelopment Project. As part of its proposed Ballpark Village development, the A's professional baseball and development team proposes to build 3,150 residential units in the Industrial Area portion of the Merged Project Area. If the City Council determines, in its policy discretion, to approve the Ballpark Village project, the Agency anticipates that it would work with the project sponsor and a qualified affordable housing developer to assure that, at a minimum, 6%, or 189 units, would be affordable to very-low income households, and 9%, or 284 units, would be affordable to low and moderate income households.

### **7.3. f                      Monitoring and Reporting Housing Production Activity**

In previous years, the Agency has monitored its housing production obligation primarily through annual reports to the Department of Housing and Community Development (HCD). At the end of the calendar year, the Redevelopment Agency submits to HCD an Annual Report of Housing Activity, which summarizes development activity in the Merged Project Area and expenditures of the Affordable Housing Fund.

#### **7.4 Replacement Housing Requirement**

When low and moderate income housing units occupied by households whose incomes do not exceed 120% of median income) are removed or destroyed due to agency action, an agency must replace those units with new or newly rehabilitated affordable housing units. At least thirty days prior to acquiring property or adopting an agreement that will lead to the destruction or removal of low and moderate income housing units, an agency must adopt, by resolution, a replacement housing plan that generally describes the location, timing and method by which replacement housing will be provided.

Replacement units may be located anywhere within the city limits. An agency may either construct the required replacement housing, or cause such housing to be constructed through agreements with housing developers. Replacement units must be available at affordable housing cost to households of low and moderate income. In addition, 100% of the replacement units must be available at affordable housing cost to the same income level of households as were displaced from the units removed or destroyed, and the same or greater number of bedrooms must also be replaced. Replacement housing must remain affordable for a minimum of 55 years for rental units or 45 years for owner-occupied units. The affordability controls must be made enforceable by recorded covenants or restrictions.

At the current time, the Agency does not anticipate removing or destroying any residential units housing low or moderate income persons, as part of a redevelopment project. Should any affordable housing units be removed or destroyed in the future due to Agency action, the Agency will be required to meet the Replacement Housing obligations in effect at the time.

#### **7.5 Conformance to the City of Fremont Housing Element (FY 2007-2012)**

The General Plan Housing Element promotes four (4) primary goals:

- Goal 1 - Conservation and enhancement of existing residential neighborhoods.
- Goal 2 - High quality and well-designed new housing of all types throughout the City.
- Goal 3 - Housing affordable and appropriate for a variety of households at all economic levels throughout the City.
- Goal 4 - A continuing leadership role in regional efforts to maintain and expand the range of housing alternatives in the San Francisco Bay Area.
- Goal 5 - Ensure that all persons have equal access to housing.

The Agency is committed to assisting the City to achieve these goals through the policies and programs presented in the City's Housing Element. Many of the programs described in the City's Housing Element are also programs included in this Implementation Plan, such as the continuation of a first-time homeowner program, rehabilitation of existing rental housing, and preservation of existing affordable housing, as well as investment in



and facilitation of the development of new affordable housing (and the removal of barriers to the development of affordable housing). The Affordable Housing Five Year Implementation Plan for FY 2008-13 continued in this Section VII will be revised as needed to maintain consistency with the City's adopted Housing Element.

**Exhibit VI-1A**  
**Income Limits Adopted by State of California in 2008**  
**City of Fremont**

<b>Household Size</b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>	<b><u>5</u></b>	<b><u>6</u></b>	<b><u>7</u></b>	<b><u>8</u></b>
Very Low	\$30,150	\$34,450	\$38,750	\$43,050	\$46,500	\$49,950	\$53,400	\$56,850
Lower	\$46,350	\$53,000	\$59,600	\$66,250	\$71,550	\$76,850	\$82,150	\$87,450
Median	\$60,300	\$68,900	\$77,500	\$86,100	\$93,000	\$99,900	\$106,800	\$113,700
Moderate	\$72,300	\$82,600	\$93,000	\$103,300	\$111,600	\$119,800	\$128,100	\$136,400

Source: State of California, Department of Housing and Community Development, February 2008.